OVERSIGHT ON THE OPERATION OF THE VETERANS BENEFITS ADMINISTRATION

HEARING

BEFORE THE

SUBCOMMITTEE ON
COMPENSATION, PENSION AND INSURANCE

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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OVERSIGHT ON THE OPERATION OF THE VETERANS BENEFITS ADMINISTRATION

THURSDAY, JULY 26, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMPENSATION,
PENSION AND INSURANCE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:12 a.m., in room 334, Cannon House Office Building, Hon. Doug Applegate (chairman of the subcommittee) presiding.

Present: Representatives Applegate and McEwen.

OPENING STATEMENT OF CHAIRMAN APPLEGATE

Mr. APPLEGATE. If everybody will take their seats, we will proceed with our hearing.

We will now continue with our meeting, to hear testimony regarding the operation of the VBA, with particular emphasis on the quality and timeliness of the processing of claims for compensation and pension benefits.

According to the VA, the trend of increasing processing times for these claims is continuing. We are told that this is due to additional burdens that Congress has imposed on the Department of Veterans Affairs to provide better notification to claimants and that workloads are higher than expected. To be honest, I'm not surprised to hear that the workload is higher. We all suspected back in February when we held hearings on the budget that the Department's estimates on workload were too low. Now they are confirming what we had thought at that time.

We continue to believe that the reduction in staffing continues to be the main culprit for these declines in performance. But I am still concerned that the DVA is not moving fast enough in terms of modernization to deal with the problem of timeliness. It's nice to hear that they have plans to implement various modern initiatives, but I think that we need to see more action. The longer we go in delaying these actions, the more problems we're going to have in the future. We will continue to do what we can to help out in maintaining adequate staffing levels, but more needs to be done.

I appreciate the participation of those service organizations who are represented here today, and I look forward to hearing from each one of you.

At this time I will recognize the honorable Robert McEwen, vice-chairman of the subcommittee.

Mr. MCEWEN. Thank you, Mr. Chairman. I have a statement that I will ask to be submitted for the record at this time.

Mr. APPLEGATE. Without objection.

[The statement of Hon. Bob McEwen follows:]

STATEMENT OF HON. BOB MCEWEN

Thank you, Mr. Chairman.

I join you in eagerly awaiting the testimony of today's witnesses. As always, I would commend you for bringing together the people with the most valuable insights to offer on the matter of the performance of the Veterans Benefits Administration. I know we are all here with hopes that VBA programs might be improved, and improved dramatically.

We're also here to be brought up to date on how existing managerial initiatives are measuring up versus their advance billing.

In February's budget hearings, and in previous hearings on VBA operations, this committee has heard encouraging promises from the administration's representatives. We've been told the job could be done better. Our expectations have risen with assurances that claims could—and would—be handled more efficiently.

Today we hope to hear about improved efficiency and greater responsiveness, not for the committee's benefit, but for the veteran's. It is the veteran whom everyone in this room has pledged and is privileged to serve.

With that, I wish to yield so we can proceed to the testimony. Thank you.

Mr. APPLEGATE. Our first witness this morning is the distinguished Chief Benefits Director, General D'Wayne Gray. General, it's good to have you with us again. If you would, you can introduce the two folks with you and proceed.

STATEMENT OF D'WAYNE GRAY, CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY RHODA MANCHER, DEPUTY CHIEF BENEFITS DIRECTOR FOR ADP SYSTEMS MANAGEMENT; AND GARY HICKMAN, DIRECTOR, COMPENSATION AND PENSION SERVICE

Mr. GRAY. Thank you, Mr. Chairman. It's good to be here with you.

I am accompanied by Mrs. Rhoda Mancher, who is my Deputy Chief Benefits Director for ADP Systems Management, and by Mr. Gary Hickman, who is the Director of the Compensation and Pension Service.

From your letter calling this hearing, sir, I believe that your interests were primarily on timeliness and quality of our claims processing, and as you have indicated, there is good news and there's bad news. The good news is that we were making progress in our timeliness over the last year-and-a-half. In fiscal year 1989, we reduced our pending workload. At the end of that year, we had about 420,000 cases pending. A year later, this figure dropped another 40,000 cases.

The bad news is, of course, as you point out, the trend has changed. Since February, our backlog has climbed 11,000 cases, and as you mentioned, the prime cause is the letter-writing provisions of Public Law 101-237.

I would not characterize that as burdensome in a pejorative sense. We believe that the law was needed and what we're doing is something we should have been doing all the time. It does mean, however, that it takes an additional 40 to 45 minutes longer to do the average original claim, and 20 to 40 minutes longer for a reopened claim.

The good news/bad news theme holds also with regard to quality. The good news is that we have in place a new system to measure our error rates for our benefit programs. Preliminary data shows that we make errors in payment in only 2.2 percent of the claims actions we handle each year. The bad news is that 2.2 percent of 3.5 million is a big number. It's a full error as far as the veteran is concerned when we make the mistake. Errors will be with us always, Mr. Chairman. Our job is to try to make as few of them as possible and we accept that challenge.

Keys to improvement in both timeliness and quality are in the tools and training that we provide our people who are out on the front lines of the benefits delivery system. Technology can, as the Chairman indicated, provide a means to let us work both faster and better. Mrs. Mancher can better describe our progress in modernization than I can. She and Mr. Hickman are working hand in glove to be sure that we do more than just automate the manual processes that now exist. Our aim is to build into our systems aids and checks and balances so that our people can concentrate on making those judgments that only people can make.

Training has been badly neglected in my portion of the VA. Mr. Hickman started, before my appointment, I hasten to add, a corrective measure by the institution of the Adjudication Training Academy. If we can get the resources, the academy has a long and bright future, and in fields in addition to adjudication.

We are not where we want to be, Mr. Chairman, but we know the direction we need to go, and the organization that I inherited back in April wants to improve and is capable of improving. With the resources, we will do so.

We are ready, sir, to try to answer your questions.

[The prepared statement of D'Wayne Gray appears at p. 15.]

Mr. APPLEGATE. Thank you very much, General Gray.

I have just a couple of questions here. I understand there's a major problem in Atlanta regarding the adjudication of chapter 30 education claims, and that this is also adversely affecting the adjudication of compensation and pension claims. Could you give us an explanation of what the problem is and what you're doing to address it, and whether the problem is occurring anyplace else throughout the country?

Mr. GRAY. As you know, Mr. Chairman, we did underestimate the popularity of the chapter 30 program. In Atlanta, as well as the other three places where we process our chapter 30 applications, there has been a larger demand on our services than we expected. What we are doing is shifting FTEE from other stations where the chapter 34, the old GI bill, workload is decreasing to the four stations that handle the chapter 30 claims. We are providing them with the automated equipment as rapidly as we can buy it and get it to them. Also, we are sending aid teams. Next week, for example, a group of adjudicators will go on temporary duty, if you will, to Atlanta to help reduce the backlog.

Yes, the unexpected popularity, unforeseen popularity, on our part—and it is our problem to forecast these things—of the chapter 30 program has impacted across the board. I don't characterize it as you did, sir, as a major problem in Atlanta, but it is something

that we are concerned about and something that we're moving to correct, I believe.

Mr. APPLEGATE. As I understand, you said it's a general problem throughout the country, then?

Mr. GRAY. It is a general problem in the sense that the people and the equipment to handle the unexpected size of the chapter 30 claims are not properly distributed. We are redistributing, sometimes in a permanent fashion, sometimes in a temporary fashion, as with the "SWAT team," if you will, that we're sending to Atlanta next week.

Mr. APPLEGATE. What happens to the areas from which you're shifting the employees? What kind of injury do you do to those particular stations?

Mr. GRAY. The impact has been negligible because, in the main, what we've been doing is shifting billet vacancies, if you will. When there's an empty spot in one place, we will authorize Atlanta to hire up, or Muskogee or Buffalo or wherever people are needed. There are few, if any, human beings actually moving from current duty stations to the chapter 30 stations. That consideration for the people, of course, is slowing our capability of moving people also.

Mr. APPLEGATE. Apparently the budget just calls for sort of a maintenance of about the same number of employees. Do you need more employees overall in order to handle it all?

Mr. GRAY. Because these people who handle the education programs are the same people, the same class of people, who handle all our compensation and pension claims, they are impacted by such things as the letter-writing issue that we mentioned earlier, and we are asking—Actually, your colleagues on appropriations have, as I understand the mark, have given us a few more people for 1991, and we're going to need a few more.

Mr. APPLEGATE. Let me ask this question, and then I will turn it over to my vice-chairman for his comments. Then, General, we may have some questions to submit to you in writing, if you would answer them, please.

Mr. GRAY. With pleasure, Mr. Chairman.

Mr. APPLEGATE. You note that your efforts to comply with the new notification requirements have been hampered by a lack of word processing capability. When do you intend to provide adjudicators with the proper equipment?

Mr. GRAY. Correct me if I make a mistake, Rhoda, but the authorization exists and we are seeking the appropriate funding to buy the word processing equipment. To the extent there is a delay, it is an administrative, not technical problem, Mr. Chairman.

Is it not that simple, Rhoda?

Mrs. MANCHER. Yes. We also have a technical problem that perhaps you don't want to hear about. But yes, we are working out the technical details so that we can employ——

Mr. GRAY. I'm sorry, Mr. Chairman. I answered in a hardware fashion. There is software work that needs to be done also.

What we want to do is provide them software so that, with fewer key strokes than one per letter, they can write intelligent, intelligible letters to the veterans who have made their claims, a semi-automated system, if you will. We're still developing that.

Mr. APPLEGATE. Let me just throw this last one in here on timeliness. You said you're meeting timeliness standards in 12 areas. Is that satisfactory? Are these truly acceptable levels of performance, or have you had to lower your standards in order to meet them?

Mr. GRAY. The standards as they exist, Mr. Chairman, are not acceptable to me. They are used—I believe I'm being fair, and tell me when I stray, Gary—as measures of what is reasonable for us to expect of the people that we have, with the equipment that they have. So in that sense, they're acceptable standards. Are they acceptable in the abstract, in the absolute, as to what service we ought to be providing to veterans? No, sir, they're not, not to me.

I don't know what the right answer is, but I know that the answers we've got now are wrong.

Mr. APPLEGATE. That was my next question. What is the answer?

Mr. GRAY. I beg your indulgence to let me try to figure out what is both right in the absolute and possible in the real world of resources and to come back to you on that, Mr. Chairman, if I may.

Mr. APPLEGATE. Thank you very much.

Mr. McEwen.

Mr. MCEWEN. Thank you, Mr. Chairman.

General, I'm going to ask a question unrelated to what you're testifying about, but I just want to get an impression. Sometimes I feel like we're talking past each other in hearings like this—and you would understand this, being a military man. If you hear the testimony of the services at the beginning of the year, they say to Congress, if you give us this certain level of funding, there is absolutely no way on Earth that we can perform our mission. We can't do this and we can't do that; we'll have to throw everybody out in the street; we'll have to shut down bases and expose our ports; and we'll have to take incoming ICBM's and all of that. But lo and behold, they hit that number and they come back to testify and they say "Yes, sir, we're doing our mission and we're meeting our obligations. America is safe and secure". So we just go through this charade all the time.

Now we start back into this. We say, here are certain problems we have and here's the backlog. But yes sir, we're doing this and that and we're getting it all fixed, and we understand. We took care of that, and I made regulations and I sent down the orders, everybody is on board. Then we go back 6 months later and we've got a bigger backlog. "Yes, sir, we're doing this and we're doing that, and we've got it under control."

When people come to Congress to testify, they say those guys up there are really, really busy. They've got 10,000 things to do. If I can just get through this thing and I can throw enough flak up at them and get their mind off on something else, we'll get through this. Then we're off, and we'll just muddle along here and do our best.

If any of you ever came over to our house on a Friday night, you could tell us point-blank, if we could move these funds to there, and if you would allow us to do that, then we could just make a whole lot of changes. But nobody will ever say that in committee. Everybody gives the "yes, we're meeting our mission, we're doing our best, we've got America safe." Then we ask our pro forma questions and we get back "Yes, we're accomplishing our goals."

I don't feel like we're making any headway. The fact of the matter is, the backlog is bigger now than it ever was. The fact of the matter is, everybody who testified said we've corrected the problem, at every oversight hearing we've ever had.

Now, I'm too young to get old and cynical about this idea. I can't get worn out this early. But I begin to feel like we're all spinning our wheels. If you have any suggestions as to what we can do about that in the next 3 minutes, I'm open to suggestion.

Mr. GRAY. One, I hope that that military testimony you're talking about is not something you read in an old record that I said. But I understand exactly what you're saying.

Second, I'm going to plead the "new boy" act with you right now, Mr. McEwen. Neither am I old enough to get cynical about this. I believe that you folks do your very best to do what's right for the country, and I guarantee you that's what I'm going to try to do.

My testimony to you today, and every time I come up here, will be what I believe to be the truth. If I'm not smart enough to discern what the truth is, then you or the Secretary or the President will make that judgment and you'll have somebody else sitting in front of you, I'm sure.

I want exactly what you described, and that is, to come to grips with this, so that in my own mind I can come to you and say, if you will do this, this, and this, I will promise you this, this and this. Make a mark on the wall and let's come back next year and look and see where the water rose to. That's the way I want to run this organization. I believe that's what you're telling me you want done.

I am not smart enough, well enough informed yet, to tell you where to draw that mark. But I'm at your service for that sort of direct conversation in hearings, in your office, or at your house on Friday night, anyplace you want to do it for that sort of thing.

I don't need to "slow roll" you. I didn't create this organization, but I'm responsible for a portion of it now and I'm going to do my very best to make it as good as it can be.

Mr. MCEWEN. Thank you, General. That's excellent.

Mr. APPLEGATE. General, Thank you very much. I think your answer to Mr, McEwen's question was very fair. If we do what we're supposed to do, and you do what you're supposed to do, then I think we can see some positive results. We want your input. We want honesty, and I can see, from the couple of times I have talked with you in your appearances before the committee, that is just what you will give us. That's what we need to work with.

Mr. GRAY. Thank you, sir.

Mr. APPLEGATE. I thank you very much for appearing before the committee today, you and both of your staff members.

Mr. GRAY. It was a pleasure, sir. Thank you for your courtesy to us while we were here.

Mr. APPLEGATE. As I mentioned, we will most likely be submitting some questions.

We will adjourn the meeting for as much time as it takes to go over and vote.

[Whereupon, the subcommittee was in recess.]

Mr. APPLEGATE. Okay. We will reconvene the subcommittee.

We will call to the table our panel, the one and only panel that we have, Bob Manhan with the VFW, Charlie Williams with the

American Ex-Prisoners of War, and John Bollinger with the Paralyzed Veterans of America. It's good to see you all.

Since I called you first, Bob, we'll just let you proceed.

STATEMENT OF ROBERT D. MANHAN, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. MANHAN. Thank you very much, Mr. Chairman. It is my pleasure to be here this morning.

I have had the benefit of hearing General Gray's testimony. The VFW canvassed its approximately 100 service officers who work in 56 of the 58 Veterans' Administration regional offices—in fact, we don't have anyone in Manila and we presently do not have anyone at Honolulu, but we have people in all the other stations. Generally speaking, our people felt that there had been no progress made since we held an oversight about a year ago. Those VARO's that were good last year—and I'm thinking specifically of North Dakota—were still pretty decent. Those regional offices in the area of compensation and pension that were poor last year and the year before—for example, the Washington, D.C. regional office—continue to have the same types of problems.

Over and over again, our claims officers said what we need here is more people, more money. We in this subcommittee have addressed it several times. Rather than comment on that again, some of our people suggested simpler managerial techniques that might be applied on a station-by-station basis—and I can share them with you.

For example, those regional offices that have more than two rating boards, our people have said why not take the junior members, people that are called veterans claims officers, and periodically, once a year, move them from their present adjudication chief to an adjacent chief. This has two advantages. It will keep the same veterans claims officer from reviewing their own handiwork. Whenever they deny a case and the veteran comes back and wants to appeal it, the appellate cycle always starts at the regional office. Very few of us would overturn a prior decision that we made. So don't let them adjudicate their own work again a second time.

Also, they feel that, as all human beings, many of the adjudicators have biases, whether they realize it or not. By letting a claims officer work under two or three different supervisors within the same regional office over a period of a few years, the claims officers, the people who are right down there where the work must be done, can have a better overview of how to approach a case. So we would like to see these claims officers maybe shuffled within their sections annually.

Another comment that was made was, in certain instances, the adjudicators themselves should be given some training specifically in the areas of mental illness and PTSD. I have station names from the Veterans of Foreign Wars which, in the claims officers' opinions, there is a decided bias against veterans who come in for a claim that involves mental illness and/or PTSD.

The remainder of my submitted statement revolves around the fact that we know what the VA is trying to do. In some instances

our people said yes, claims officers have been pulled out to go to Leesburg for 6 weeks. In other instances, they have told us that the claims officers who are overburdened and have a backlog of cases are ordered to sit down and type out with a Wang a letter to a veteran.

With this additional work—and it's all new work—more and more errors are creeping into the system at the claims officer level. We are not surprised about this.

In conclusion, speaking for our organization, we are more than willing to give General Gray 9 to 12 months to work out this new system that he has just inherited. We do firmly believe and expect to see some improvement next year at this time when you hold an oversight.

This concludes my statement, Mr. Chairman. Thank you.

[The prepared statement of Robert Manhan appears at p. 23.]

Mr. APPLEGATE. Thank you, Bob.

Mr. Williams.

STATEMENT OF CHARLES M. WILLIAMS, EXECUTIVE DIRECTOR, AMERICAN EX-PRISONERS OF WAR

Mr. WILLIAMS. Thank you, Mr. Chairman.

I come before you today representing about 32,000 members and roughly 70,000 former prisoners of war still alive. Many of our group were not as fortunate as I and some of our members that you see coming in here are. We are told that many are among the homeless and the street people of our country. But there's really nothing to support this. We do know that approximately 29,000 of our members have taken the protocol physical, and the same number currently are using or have used some form of services offered by the Department of Veterans Affairs.

Mr. Chairman, as you know, I have long been critical of the physical examinations, adjudication procedures, the rating and appeals process. Today I am a little more positive, I believe, than I have been in the past. From the calls that have been coming in, we're getting less calls of complaints. More of the calls that we get are reporting good results, satisfactory results.

There was a GAO report, as you're well aware, approximately a year ago that reported a variance in ratings running anywhere from 10 percent to 100 percent on the same physical exam. The GAO took one physical. They sanitized it and sent it out to all of the regions throughout the country, and they ended up with the same particular examination being rated anywhere from 10 to 100. They ended up with a few extremes, but the great majority, though, fell within 30 to 60 percent. But even there, if you look at it rationally, there is a great big difference. If you're rating in one place at 30 percent and someplace else at 60, we're obviously missing something.

One of the bad things that we have seen in this past year—and we have seen the extremes closing in, so the disparity does not appear to be as great. But we have noticed one thing coming out of all of this, and that is it appears the ratings coming out of the VA are tighter. In other words, they're lower. Where you may have figured that certain conditions would end up with a 30 or 40 percent

rating, now you're looking at possibly a 20 or 30 percent. It appears that, as they are narrowing the gap, they are narrowing in a downward direction.

Two phrases that we seem to hear from our members most frequently, when they're talking about the quality of the rating procedure and the physical, have to do primarily with the rating area. They talk about piecemeal development of the cases. They talk about cases that, rather than a rating specialist sitting down and going through the thing and coming back and saying to the veteran "we need four different things", they come back and say we need one thing, or we need two things, and 3 weeks or a month later they get another letter that says we need this additional piece of information. It appears—and this is only an assumption—it appears that they're trying to rush too much in their job and not doing it thoroughly, and they're having to do much of it over because of rushing and not doing it adequately the first time.

Many of the problems that we experience in this whole area I believe—and I think it's a consensus with many of our people that we talk to—is that the sensitivity in the VA from the physicians and the people that they deal with is less than it was a year or two ago. There was an effort some years back to sensitize the people by the use of a film that the VA produced. It was only shown the one time to those who did see it, and not everyone saw it then. However, you have dropped down very low on the number that are still in the same jobs that have ever seen this film on sensitizing. So I believe that's one of the main concerns.

Another one that I think some of the stories of the ex-prisoners of war tell about experiences, there is a disbelief and a lack of belief in what we have to say. Evert Alvarez addressed this some years ago in an interview, when he claimed in his interview that the POW's tell it like it is; that the majority of us, 98 or 99 percent, would not lie to you.

I see the red light is on, Mr. Chairman, so I will bring it to a close. But we do see some improvement. We think there's a long way to go on this. It's a big job. Hopefully, General Gray and some of the people in the medical end of this, when they come on board, are going to be able to clear it out.

But I believe we need to get our values and our priorities straight. I think this is where a lot of the things come from. The veterans of this country got us where we are today, but when we ask them to risk their lives to protect our way of life, we assume a grave responsibility. The country can't forget this, or they shouldn't, because it's going to be difficult to ever put together a strong fighting force if you don't take care of the people who were there before.

Thank you, Mr. Chairman.

[The prepared statement of Charles Williams appears at p. 27.]

Mr. APPLEGATE. Thank you very much, Mr. Williams.

Mr. Bollinger.

STATEMENT OF JOHN C. BOLLINGER, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. BOLLINGER. Thank you, Mr. Chairman. Thank you for inviting PVA to testify today.

I think it was about a week-and-a-half ago that the Office of Management and Budget revealed statistics that indicated that the Federal deficit was considerably higher than what was anticipated only a month ago. It is clear to us that decisions involving the allocation of Federal funds are going to require an even higher degree of prioritization than they have in the past. When the chips are down, certainly VA health care for disabled veterans has got to be, must be, right up there on the top of that list of priorities.

What worries us very much at this point is where that leaves the Veterans Benefits Administration in the whole scheme of things as far as the budget is concerned. What toll will a GOE account that's been plundered by another year of sequestration, what toll is that going to take on VBA employees and ultimately the veterans and families that they serve?

We know that the subcommittee and the full committee here appreciates and understands the importance of a Veterans Benefits Administration that can provide education benefits and vocational rehabilitation for disabled veterans and a host of other important services. We also believe that VBA management recognizes many of the existing shortcomings in the delivery of benefits and services. It appears to us that some progress has, indeed, been made, both in terms of training and in terms of ADP functions. We are very concerned, though, that problems that exist in VBA today will remain, and possibly get worse, unless the Chief Benefits Director and VBA management can clearly and forcefully articulate the need for a sufficient level of FTEE during the time the President's budget is being formulated this year. Until VBA's ADP modernization is fully tested and implemented, this is the most important factor in restoring good service to veterans.

VBA has unfortunately lost too many people over the years in the name of modernization. We are pleased that Mr. Gray opposes reductions in FTEE as a trade-off for modernization. So we call on him to reject any efforts to reduce FTEE and instead aggressively pursue additional resources and staff to meet the increased demands of the future, especially in view of the fact that there are going to be many new veterans being released from active duty. So we call on Mr. Gray to complete as quickly as possible any reorganization plans that he has for top level management in the administration so that those people can stop worrying about jobs and get on with the business of taking care of VA benefits and services.

Thank you.

[The prepared statement of John C. Bollinger appears at p. 31.]

Mr. APPLEGATE. Thank you very much for your input.

Just taking a look, if I view it correctly, the VFW and the PVA say there really hasn't been any progress in the past year, and Mr. Williams says there has been some, but it's been minimal and more things need to be done.

Mr. Manhan, you mentioned the fact that you feel there's a silent bias against claimants who come in with PTSD and mental illness and that type of thing.

Mr. MANHAN. Yes, sir. Mr. Chairman, in one particular regional office, as expressed through the opinion and judgment of the VFW service officers who work there, they obviously have veterans claims involving PTSD and/or other mental illnesses. And when I asked them to give me some input for this hearing, I received this back as a managerial action that they would like to see taken if they have the authority to do so.

At this particular station, they would like to have the adjudicators and a lot of the claims officers go through a course be educated on mental illnesses, and particularly Post-Traumatic Stress Disorder. They're not getting many allowances there, or words to that effect, at one particular station; a rather large one.

Mr. APPLEGATE. That's interesting. Maybe we'll talk further about that, too. We don't believe there should be bias, and these people work for the Government, the taxpayers, regulators or bureaucrats, whatever, and they should be devoid of that. Sometimes they get into a position where they have some power and they sometimes like to exercise it. If it's not there, it's in other areas, like Social Security, black lung, workmen's compensation and others, where I guess they become cynical after a while, for whatever reason. I think they do need some reeducation periodically to try to eliminate some of that.

I think Mr. Bollinger was talking about cutting back, but that we should not cut back on our health care. You made a specific reference to health care. And the question of sequestration, with regard to Gramm-Rudman. Compensation and pensions, of course, are exempt, and it's limited to two percent on health care.

Mr. BOLLINGER. Right.

Mr. APPLEGATE. However, there has been a bill passed through the House that would exempt all of the health care in sequestration. I think it's languishing the Senate. I don't know whether it's moving or——

Mr. BOLLINGER. It was reported favorably out of committee and it's to go to the floor in the next couple of weeks, I think. We appreciate your efforts and the fact that it did pass the House. It's an important piece of legislation.

Mr. APPLEGATE. That's good. So we'll look forward to that.

Let me ask you all one question. We had talked with General Gray about the situation in Atlanta and the problems they're having down there in the adjudication of chapter 20 education claims, and that he said he has had to borrow from other stations in order to alleviate some of that situation.

Do you have any particular comments on that, or any other parallels?

Mr. BOLLINGER. I wasn't aware that that situation existed. We got a lot of comments from our national service officers late in the week and I was surprised to see—and I can't give you the regional offices that were affected—that, in fact, there was some concern that, with the emphasis on chapter 30, C and P claims were suffering a bit. So it appears to be a moderate trend.

Mr. APPLEGATE. A moderate trend, a regression?

Mr. BOLLINGER. Our national service officers seem to think, in a few places, that this was a trend that we ought to be concerned about.

Mr. MANHAN. The VFW picked up the same thing, Mr. Chairman, specifically at the Atlanta Regional Office. The way I understood the problem from our people that work there is that someone in the VA made a decision that the Atlanta VA would be sort of a catch basin for several other, perhaps southeastern regional offices, just to more expeditiously process the educational claims under chapter 20. They said it was putting them behind at the Atlanta Regional Office, putting them behind the usual compensation claims work. Because as General Gray testified, the same people do the educational claims as do the compension and pension claims.

I think there was one other station that made that comment, and I have the information back in my office. I believe it was Muskogee, OK wherein educational things seemed to be an unusual blip on the work schedule. They had never seen it before.

Mr. APPLEGATE. Well, it's going to be very difficult to see, with the budget talks going on right now, much improvement in any of this. If we're going to be subjected to Gramm-Rudman and sequestration, it is going to cut back seriously on a lot of our areas. This is an area that would be cut back, and when we're having more veterans and claims coming in, I can see the process really getting bogged down. So they're going to have to come up with some kind of a solution that is going to address that so there won't be any retardation in these particular programs.

Of course, the President did talk about the fact that, in order to meet the deficits that we are meeting, that we would raise taxes. But before he said that, he also said we should look at the entitlement programs which, of course, is going to include not only Social Security but would look at those that are presently exempt from sequestration, so that the pension and comp plans and benefit plans could be affected.

If they decide to get right down to the nitty-gritty to find a way to save the money, and nobody wants to raise taxes, or find revenues in order to at least maintain what we're doing, improving it at the same time and reducing the deficit, that's going to be a real hard charge. So I think we have that to look forward to. I think the economic summit between the House and the Senate and the President of the United States is going to be very sensitive and one that we should keep a very close watch on.

I have no further questions. My vice-chairman, Bob "Stealth" McEwen, is recognized for any questions he may have.

Mr. MCEWEN. Thank you, Mr. Chairman. I just thank our witnesses for testifying.

Mr. APPLEGATE. You got off easy.

Thank you very much for appearing before the committee. Your testimony, as always, is very important and very articulately given.

It is my understanding, too, that the Disabled American Veterans has provided us with a statement for the record. No one is here, but I understand they're having their national convention. Also, AMVETS indicated they would also submit statement for the record. Without objection, thee statement will be entered in the record.

[The statements appear at pp. 35 and 40.]
Mr. APPLEGATE. With that, the committee is adjourned.
[Whereupon, at 11:15 a.m., the subcommittee was adjourned.]

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APPENDIX

STATEMENT OF
D'WAYNE GRAY
CHIEF BENEFITS DIRECTOR
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
JULY 26, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU THIS MORNING TO DISCUSS THE PERFORMANCE OF OUR BENEFIT DELIVERY SYSTEM AND OTHER ASPECTS OF OUR COMPENSATION AND PENSION PROGRAMS. I AM ACCOMPANIED TODAY BY MRS. RHODA MANCHER, THE DEPUTY CHIEF BENEFITS DIRECTOR FOR ADP SYSTEMS MANAGEMENT, AND MR. J. GARY HICKMAN, THE DIRECTOR OF THE COMPENSATION AND PENSION SERVICE.

I WILL BEGIN WITH THE SUBJECTS OF TIMELINESS AND PENDING WORKLOAD. AS MR. AVENT INFORMED YOU WHEN HE TESTIFIED BEFORE THIS SUBCOMMITTEE LAST FEBRUARY, TIMELINESS HAS SHOWN IMPROVEMENT IN THE LAST YEAR AND A HALF. OF THE 14 AREAS WE MEASURE, 12 ARE AT OR ABOVE THE STANDARDS WE HAVE SET AS ACCEPTABLE LEVELS OF TIMELINESS. AT THE END OF FY88 WE WERE MEETING STANDARDS IN ONLY 5 OF THE 14 AREAS.

DURING FY89 WE ALSO REDUCED OUR PENDING WORKLOAD. AT THE END OF FY88 WE HAD ABOUT 420,000 CASES PENDING ACTION. A YEAR LATER THIS FIGURE STOOD AT 381,000, A DROP OF ALMOST 40,000 CASES.

TODAY OUR PENDING WORKLOAD IS 392,000 CASES. WE ATTRIBUTE THIS TO THE ADDITIONAL WORKLOAD BURDEN OF THE LETTER WRITING PROVISIONS OF PUBLIC LAW 101-237. THESE PROVISIONS, WHICH BECAME EFFECTIVE JANUARY 31, 1990, MANDATE THAT WHENEVER A VA CLAIMANT IS DENIED ANY OR ALL OF THE BENEFITS HE OR SHE SEEKS, OUR LETTER MUST CONTAIN DETAILED INFORMATION ABOUT THE EVIDENCE REVIEWED AND THE RATIONALE USED IN REACHING THE DECISION. TO PROVIDE THIS LEVEL OF DETAIL, WE MUST USE INDIVIDUALLY COMPOSED LETTERS INSTEAD OF OUR COMPUTER-GENERATED NOTICES. IN THE PAST, INDIVIDUALLY COMPOSED LETTERS WERE USED IN LESS THAN 5% OF OUR CASES. NOW THEY ARE NECESSARY IN MORE THAN 40%. THE WORKLOAD OF THE RATING BOARDS IS ALSO AFFECTED BY PL 101-237. MORE DETAILED DISABILITY RATING DECISIONS MUST BE PREPARED TO DOCUMENT THE INFORMATION NEEDED FOR THE NEW LETTERS. ADDED TIME IS NEEDED FOR TYPING. THE RESULT IS THAT IT TAKES LONGER TO COMPLETE THESE CASES. A STUDY WE COMPLETED IN MARCH SHOWS THAT IT NOW TAKES AN ADDITIONAL 40-45 MINUTES TO COMPLETE AN ORIGINAL COMPENSATION OR PENSION CLAIM. THE ADDITIONAL TIME FOR A REOPENED CLAIM RANGES FROM 25 TO 40 MINUTES.

WE PLAN TO PARTIALLY OFFSET THE IMPACT OF PL 101-237 BY PROVIDING OUR ADJUDICATORS WITH WORD PROCESSING CAPABILITY. THIS WILL ALLOW THEM TO PRODUCE, WITH A MINIMUM NUMBER OF KEY STROKES, SEMI-AUTOMATED LETTERS TAILORED TO THE INDIVIDUAL CASE. OUR PRESENT CLAIMS PROCESSING SYSTEM WAS NOT DESIGNED TO ACT AS A WORD PROCESSOR. THEREFORE, WE ARE EXPLORING VARIOUS TECHNOLOGIES WHICH WILL ALLOW US TO LINK THE CURRENT SYSTEM TO A WORD PROCESSING SYSTEM. WE ARE ALREADY DOING TESTING IN THIS AREA. PROVIDING OUR REGIONAL OFFICES WITH AN EFFECTIVE MEANS TO PRODUCE LETTERS IS ONE OF THE TOP PRIORITIES WITHIN VBA.

TURNING TO THE SUBJECT OF QUALITY, MR. CHAIRMAN, I AM PLEASED TO REPORT THAT WE HAVE IMPLEMENTED A NEW SYSTEM TO DETERMINE NATIONAL ERROR RATES FOR OUR MAJOR BENEFIT PROGRAMS. THE

COMPENSATION AND PENSION SERVICE HAS BEGUN COMPILING STATISTICAL DATA ON CASES COMPLETED DURING FISCAL YEAR 1990. WE EXPECT TO ISSUE THE FIRST ANNUAL NATIONAL ERROR RATE REPORT IN APRIL 1991. PRELIMINARY DATA INDICATE THAT A PAYMENT ERROR, EITHER AN UNDERPAYMENT OR OVERPAYMENT, OCCURRED IN 2.2% OF THE CASES REVIEWED TO DATE. MR. CHAIRMAN, OUR CLAIMS EXAMINERS HANDLE OVER 3 1/2 MILLION CLAIMS ACTIONS EACH YEAR. ERRORS ALWAYS WILL OCCUR. OUR JOB IS TO FIND WAYS TO MINIMIZE THE NUMBER OF THOSE ERRORS, AND WE WILL DO SO.

WE HAVE SEVERAL INITIATIVES UNDERWAY THAT SHOULD HELP US IMPROVE BOTH OUR TIMELINESS AND OUR QUALITY. ONE OF OUR MAJOR EFFORTS HAS BEEN THE ADJUDICATION TRAINING ACADEMY. BY SHIFTING RESPONSIBILITY FOR CERTAIN SEGMENTS OF OUR TRAINING PROGRAM FROM THE REGIONAL OFFICES TO THE TRAINING ACADEMY, WE HAVE ALLOWED THE REGIONAL OFFICES TO DIRECT MORE OF THEIR EFFORTS TOWARD CLAIMS PROCESSING. SIMULTANEOUSLY WE HOPE TO BENEFIT FROM THE INCREASED UNIFORMITY AND CONCENTRATION THAT CENTRALIZED TRAINING PROVIDES. SINCE FEBRUARY THE TRAINING ACADEMY HAS PROVIDED BASIC TRAINING FOR A TOTAL OF 60 NEWLY APPOINTED ADJUDICATORS. TRAINING FOR ANOTHER 32 IS UNDERWAY. DURING FY 91, THE ROLE OF THE ACADEMY WILL BE EXPANDED. IN ADDITION TO TRAINING AT LEAST 108 NEW ADJUDICATORS, THE ACADEMY WILL HOLD CLASSES FOR 100 RATING SPECIALISTS AND FOR 50 SENIOR ADJUDICATORS. WE WILL ALSO EXPLORE THE USE OF COMPUTER-ASSISTED TRAINING, VIDEO TAPING AND VIDEO CONFERENCING TO ASSIST REGIONAL OFFICES IN ACHIEVING THE LEVEL OF EXCELLENCE WE EXPECT.

ANOTHER POINT OF FOCUS IN THE AREA OF MANAGEMENT INITIATIVES INVOLVES THE AUTOMATED MEDICAL INFORMATION EXCHANGE (AMIE). PRESENTLY, EVERY TIME A MEDICAL CENTER ADMITS A VETERAN, A NOTICE IS SENT TO THE REGIONAL OFFICE. THERE AN ADJUDICATOR REVIEWS THE VETERAN'S CLAIMS FOLDER TO DETERMINE IF AN AWARD ADJUSTMENT IS REQUIRED. AMIE STREAMLINES THIS PROCESS. THE

AMIE PROGRAM SCANS THE MEDICAL CENTER'S PATIENT DATA BASE AND NOTIFIES THE REGIONAL OFFICE OF ONLY THOSE VETERANS WHOSE HOSPITALIZATION MAY REQUIRE ADJUDICATIVE ACTION. THIS COMPUTERIZED EXCHANGE ELIMINATES PAPER FORMS, MAILING COSTS, MAILROOM DELAYS, CLAIMS FOLDER PULLS AND DOCUMENT FILING. IT REDUCES THE WORKLOAD FOR BOTH THE MEDICAL ADMINISTRATION AND ADJUDICATION STAFFS, AND PROTECTS VETERANS FROM OVERPAYMENTS THAT RESULT IF AN ADMISSION NOTICE IS DELAYED, LOST OR MISROUTED. AMIE ALSO FEEDS INFORMATION FROM THE REGIONAL OFFICES TO THE MEDICAL CENTERS. THIS RESULTS IN SIMILAR IMPROVEMENTS IN TIMELINESS, QUALITY AND SAVINGS AT THE MEDICAL CENTERS.

AMIE HAS BEEN SUCCESSFULLY INSTALLED IN 6 REGIONAL OFFICES AND 17 MEDICAL CENTERS. WE ARE IN THE PROCESS OF ESTABLISHING AMIE IN THE CLEVELAND REGIONAL OFFICE AND ITS SERVICING MEDICAL CENTERS IN OHIO. NATIONWIDE IMPLEMENTATION AWAITS ONLY THE PURCHASE OF ADDITIONAL COMPUTER SOFTWARE NECESSARY TO ALLOW THE REMAINING REGIONAL OFFICES TO ACCESS AMIE. THIS PROCUREMENT IS UNDERWAY. WE ANTICIPATE THAT ALL FACILITIES WILL HAVE AMIE BY JANUARY 1992.

IN ADDITION TO AMIE, OTHER INITIATIVES ARE IMPROVING THE COMMUNICATION LINKS BETWEEN VBA AND VHS&RA. FOR EXAMPLE, WE HAVE GIVEN REGIONAL OFFICES AUTHORITY TO PURCHASE FACSIMILIE MACHINES FOR OBTAINING DATA NOT STORED IN AN ELECTRONIC FORMAT, SUCH AS HOSPITAL REPORTS, OUTPATIENT TREATMENT RECORDS AND EXAMINATION REPORTS. WE HAVE ALSO INCREASED THE AMOUNT OF INFORMATION MEDICAL CENTERS CAN OBTAIN BY COMPUTER ACCESS TO VBA'S BENEFICIARY IDENTIFICATION AND RECORDS LOCATOR SUBSYSTEM (BIRLS). THIS FACILITATES ADMISSIONS PROCESSING FOR BOTH HOSPITAL AND OUT-PATIENT TREATMENT.

IMPROVING THE QUALITY AND TIMELINESS OF SERVICE TO VETERANS IS ALSO THE PRIMARY GOAL OF THE VBA MODERNIZATION PROGRAM. WE INTEND TO TAKE ADVANTAGE OF THE LATEST COMPUTER TECHNOLOGIES TO STREAMLINE CLAIMS PROCESSING. SOPHISTICATED COMPUTER EDITS WILL SPOT MOST PROCESSING ERRORS BEFORE A CASE LEAVES THE ADJUDICATOR'S DESK, THUS REDUCING DELAYS AND IMPROPER PAYMENTS. ADVANCED COMMUNICATION AND IMAGE PROCESSING TECHNOLOGIES WILL FACILITATE THE EXCHANGE OF INFORMATION BETWEEN VA PROGRAMS AND FACILITIES AND WITH OTHER GOVERNMENT AGENCIES. ACCESS TO COMMON DATA BASES WILL MAKE THE MOST CURRENT INFORMATION AVAILABLE IMMEDIATELY FOR ANY PARTICULAR VETERAN OR PROGRAM. ALL OF THESE FUNCTIONS, AND MANY MORE, WILL BE AVAILABLE FROM EACH CLAIMS EXAMINER'S DESK.

THE PLANNING PHASE OF OUR ADP MODERNIZATION IS NEAR COMPLETION. THE FIRST STEP IN THE PROCUREMENT PROCESS IS SCHEDULED FOR THE FALL OF 1990.

WHILE FULL IMPLEMENTATION OF MODERNIZATION MUST WAIT FOR THE ACQUISITION OF NEW COMPUTER HARDWARE, WE HAVE ALREADY BEGUN TO DEVELOP AND INSTALL SOME COMPUTER PROGRAMS THAT HAVE BEEN DESIGNED TO FIT INTO THE OVERALL FRAMEWORK OF MODERNIZATION, BUT WHICH ALSO OPERATE ON OUR CURRENT SYSTEMS. WITHIN THE SCOPE OF THE COMPENSATION AND PENSION PROGRAMS IS AMIE, WHICH I DISCUSSED EARLIER. OTHERS INCLUDE THE HEARING OFFICER LETTERS AND REPORT SYSTEM AND THE PAYMENT HISTORY PROGRAM. THESE AND THE MANY OTHERS THAT HAVE BEEN DEVELOPED FOR THE VARIOUS VBA PROGRAMS ARE GIVING US BETTER CONTROL OVER OUR WORKLOAD AND MORE EFFICIENT USE OF OUR RESOURCES.

TURNING TO A DIFFERENT SUBJECT, MR. CHAIRMAN, I'D LIKE TO GIVE YOU A REPORT ON WHAT THE VETERANS BENEFITS ADMINISTRATION IS DOING IN RESPONSE TO A GENERAL ACCOUNTING OFFICE STUDY ENTITLED "IMPROVEMENTS NEEDED IN PROCESSING DISABILITY CLAIMS." WE HAVE MADE SIGNIFICANT PROGRESS ON THE RECOMMENDATIONS PUT FORTH IN THE STUDY.

DOING IN RESPONSE TO A GENERAL ACCOUNTING OFFICE STUDY ENTITLED "IMPROVEMENTS NEEDED IN PROCESSING DISABILITY CLAIMS." WE HAVE MADE SIGNIFICANT PROGRESS ON THE RECOMMENDATIONS PUT FORTH IN THE STUDY.

THE MAJOR RECOMMENDATION WAS TO PROVIDE CLAIMANTS WITH MORE RESPONSIVE NOTICES REGARDING THE BENEFIT DECISIONS MADE IN THE REGIONAL OFFICES. EARLIER I DISCUSSED THE IMPACT OF THE LETTER WRITING PROVISIONS OF PUBLIC LAW 101-237, AND OUR PLANS TO DEAL WITH THAT IMPACT. THE GAO STUDY WAS ONE OF THE FACTORS THAT LED TO THE NEW REQUIREMENTS.

WE HAVE LONG RECOGNIZED THE LETTER WRITING LIMITATIONS OF THE COMPUTER SYSTEM WE CURRENTLY USE FOR CLAIMS PROCESSING. BASIC TO OUR ADP MODERNIZATION PLAN IS GETTING HARDWARE AND SOFTWARE THAT WILL PROVIDE THE FLEXIBILITY AND RESPONSIVENESS CALLED FOR BY THE GAO RECOMMENDATION. WE HAVE NOT, HOWEVER, SAT IDLY BY WAITING FOR THE FUTURE. EVEN BEFORE GAO ISSUED ITS STUDY WE HAD TAKEN STEPS TO REVIEW THE PATTERN LETTERS AND FORMS USED IN THE REGIONAL OFFICES. WE THEN ISSUED SAMPLE PATTERN LETTERS TO IMPROVE CLARITY, CONSISTENCY AND ACCURACY. IN ADDITION, WE REPROGRAMMED THE PRESENT COMPUTER SYSTEM, STRETCHING AS FAR AS POSSIBLE THE AMOUNT OF SPECIFIC INFORMATION THAT COULD BE INSERTED INTO THE STANDARD, COMPUTER-GENERATED LETTERS. THIS CAPABILITY IS LIMITED, SINCE THE SYSTEM WAS NOT DESIGNED TO ACT

AS A WORD PROCESSOR. THEREFORE, WE ARE EXPLORING THE POSSIBILITY OF LINKING THE CURRENT CLAIMS PROCESSING SYSTEM TO OUR WANG OFFICE AUTOMATION SYSTEM, WHICH DOES HAVE WORD PROCESSING CAPABILITY.

THE SECOND RECOMMENDATION MADE BY THE GAO STUDY WAS THAT OUR PROCEDURAL MANUAL SHOULD BE SIMPLIFIED AND INDEXED, AND THAT OUR PUBLICATION AND DISTRIBUTION PROCEDURES SHOULD BE MODIFIED TO ASSURE THAT CHANGES TO THIS MANUAL REACH THE REGIONAL OFFICES

PROMPTLY. WE ISSUED THE SUGGESTED INDEX THREE MONTHS AFTER THE STUDY WAS RELEASED. WITH THE ASSISTANCE OF A PRIVATE CONTRACTOR, WE PUT ALL 57 CHAPTERS OF THE MANUAL INTO THE WANG AUTOMATED OFFICE SYSTEM. THIS HAS ALLOWED US TO USE THE WANG'S WORD PROCESSING AND ELECTRONIC MAIL FEATURES TO PUBLISH AND DISTRIBUTE PROCEDURAL CHANGES.

IN DECEMBER 1988, BEFORE WE HAD EVEN RECEIVED THE DRAFT COPY OF THE GAO REPORT, WE HAD BEGUN THE PROCESS OF REWRITING AND RESTRUCTURING THE ENTIRE ADJUDICATION PROCEDURES MANUAL. THAT PROCESS IS WELL UNDERWAY. THE REVISED MANUAL WILL BE IN THE HANDS OF THE USERS BY NOVEMBER 1, 1990. THE NEW MANUAL ALSO IS ON THE WANG AUTOMATED OFFICE SYSTEM AND WE WILL ISSUE IT USING ELECTRONIC MAIL CAPABILITIES OF THAT SYSTEM.

THE FINAL RECOMMENDATION MADE BY THE GAO STUDY WAS THAT WE DETERMINE IF OUR CURRENT SUPERVISORY STRUCTURE IS SUFFICIENT TO PROVIDE ACCEPTABLE LEVELS OF QUALITY IN CLAIMS PROCESSING.

WE CONTINUALLY ASSESS THE ADEQUACY OF OUR SUPERVISORS AND OUR SUPERVISORY STRUCTURES. WE HAVE AN ADEQUATE NUMBER OF SUPERVISORS. MY OBJECTIVE IS TO ENSURE THAT THESE SUPERVISORS AND THE ADJUDICATORS THEY SUPERVISE ARE FOCUSED ON QUALITY AND HAVE THE TOOLS AND THE TRAINING THEY NEED TO PROVIDE HIGH LEVELS OF QUALITY. I BELIEVE THE PROCESSING CHANGES INHERENT IN OUR ADP MODERNIZATION PLANS AND THE TRAINING THAT WILL BE OFFERED THROUGH THE ADJUDICATION TRAINING ACADEMY WILL ADDRESS THE QUALITY ISSUES THAT CONCERNED GAO IN THIS STUDY.

IN YOUR LETTER OF INVITATION, MR. CHAIRMAN, YOU SPECIFICALLY ASKED THAT WE COMMENT ON THE ACTIONS WE HAVE TAKEN IN RESPONSE TO ANOTHER GAO STUDY. THIS ONE, PUBLISHED IN MAY 1990, IS ENTITLED "IMPROVED MANAGEMENT NEEDED TO REDUCE WAITING TIME FOR APPEAL DECISIONS." IT CONCLUDES THAT THERE ARE AVOIDABLE DELAYS IN THE PROCESSING OF APPEALS AT BOTH THE REGIONAL OFFICES AND

THE BOARD OF VETERANS APPEALS. IT ALSO FAULTS OUR MANAGEMENT OF THE APPEALS PROCESS AND OUR ABILITY TO MEASURE THE TIMELINESS OR LACK OF TIMELINESS IN THE DIFFERENT APPELLATE STEPS. WE HAVE ACCEPTED THE STUDY'S RECOMMENDATIONS. WE BELIEVE THAT BY IMPLEMENTING THESE RECOMMENDATIONS WE WILL ENHANCE THE TIMELINESS OF THE DEPARTMENT'S BENEFIT APPEALS PROCESS WITHOUT ADVERSELY AFFECTING THE QUALITY OF DECISIONS.

VBA AND THE BOARD OF VETERANS APPEALS HAVE AGREED ON CHANGES NEEDED TO IMPROVE THE PROCEDURES AND THE COMPUTER SYSTEM WE USE FOR TRACKING APPEALS. WE ARE REDESIGNING THE SOFTWARE PROGRAM TO GIVE US BETTER DATA AS TO WHEN AND WHERE DELAYS MAY BE OCCURRING. THE SPECIFICATIONS FOR THE REVISED PROGRAMMING ARE NOW UNDER REVIEW. WE INTEND TO IMPLEMENT THE NEW SYSTEM AS PROMPTLY AS OUR ADP PROGRAMMING RESOURCES WILL ALLOW.

MR. CHAIRMAN, YOU ASKED IF ANY CONSIDERATION IS BEING GIVEN TO CONSOLIDATION OF REGIONAL OFFICE FUNCTIONS IN THE NEAR FUTURE. I AM EMBARKED ON A CONTINUING SEARCH FOR THE MOST EFFECTIVE WAYS TO DELIVER VETERANS BENEFITS. IN LIGHT OF THE COMMUNICATION AND DATA TRANSFER POSSIBILITIES OFFERED BY NEW TECHNOLOGY AND GIVEN THE POSSIBILITY OF WORKLOAD SHIFTS IN THE FUTURE, I MUST KEEP THE OPTION OF CONSOLIDATION IN MIND. BASIC TO ANY SUCH PLAN ALSO WOULD BE THE REQUIREMENT THAT CLAIMANTS CONTINUE TO HAVE ACCESS TO NECESSARY SERVICES AND THAT THERE BE NO ADVERSE EFFECT ON THE QUALITY AND TIMELINESS OF CLAIMS PROCESSING. THERE ARE NO ACTIVE PLANS TO CLOSE OR CONSOLIDATE ANY DIVISION AND RELOCATE ITS PERSONNEL TO ANOTHER STATION.

MR. CHAIRMAN, THIS CONCLUDES MY FORMAL TESTIMONY. I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU OR THE OTHER MEMBERS OF THE SUBCOMMITTEE MAY HAVE.

STATEMENT OF

ROBERT D. MANHAN, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

DEPARTMENT OF VETERANS AFFAIRS' VETERANS BENEFIT ADMINISTRATION

WASHINGTON, D. C. JULY 26, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to appear before this Subcommittee regarding such an important and timely topic. Needless to say the VFW's 2.8 million members strong organization, to include our Ladies Auxiliary, has a continuing interest in this subject.

BACKGROUND:

About one year ago, in May 1989, we participated in a similar overview hearing with particular emphasis on the quality and timeliness of the processing of claims for compensation and pension benefits. The VFW concluded at that time there was a serious deterioration in both the timeliness and quality of decisions being rendered and that generally speaking the Veterans Benefit Administration (VBA) had lowered its standards.

More recently, in February 1990, the VFW again appeared before this Subcommittee to review and discuss the FY 1991 budget for VBA. The VFW recommended Congress request an additional $12 million appropriation for 365 additional FY 1990 full-time employees equivalent (FTEE) to work in the compensation, pension and education portion of VBA. As a result of this hearing the House Committee on Veterans' Affairs recommended in part, that the FY 1991 Department of Veterans Affairs (DVA) appropriation contain an additional $729 million and 2,832 employees, with 577 of them going specifically to the staffing of benefits activities throughout the system in order to improve quality, timeliness, and access to services.

At this point in time we know the House of Representatives on June 28, 1990, passed its VA Appropriation Bill, H.R. 5158. The Compensation and Pensions (C&P) program totalled $15.6 billion. This is an increase of $129 million over the FY 1990 appropriation and some $480 million more than was contained in the FY 1991 budget submitted by VA itself.

The point being made is that the VFW, along with most other national veteran service organizations asked for more money to hire more people to do the job.

During these same hearings senior members of the VBA staff submitted written statements and provided oral testimony regarding what other actions they would take to improve both the quality and timeliness of their services that presently provide compensation payments to almost 2.5 million veterans and survivors of deceased veterans with service-connected disabilities and provide pension payments to another one million nonservice-connected disabled veterans, widows and children in need of financial assistance.

PRESENT SITUATION:

In order to evaluate the current performance of the adjudication activity of VBA, regarding both timeliness of processing C&P claims and the quality of decisions rendered, we pursued two independent courses of action. One was to obtain an evaluation report from the VFW network of almost 100 Service Officers who are located in 56 of the 58 Veterans Affairs Regional Offices (VAROs). Second was to review the available VA statistical reports on these same issues.

Generally speaking the VFW's Service Officer's input was almost unanimous in stating that the timeliness of decisions for this year is pretty much what it was one year ago. The important difference noted was that since February 1990 some stations have had staffers and workers pulled out to attend a six week Adjudication Training Academy, located in Leesburg, Virginia. Also, for the first time, some stations are requiring their adjudication staff to become directly involved in preparing the correspondence notifying claimants of a denied entitlement. This is one way to comply with the Public Law 101-237 requirement to more clearly or better inform a claimant of decisions rendered.

A review of VA material dealing with the issue of timeliness shows that the standard goal this year to process an initial disability compensation claim is to complete 95 percent of the cases within 180 days. A report that computes the total average number of days to complete an initial disability claim throughout the 58 VAROs has been as low as 148 days in October 1989, the beginning of this fiscal year, to a high of 159 days for May 1990 and a total of 155 days at the end of June, some three weeks ago. However, another report that deals by month with the analysis of overall timeliness of processing claims clearly states that about 32 percent of all initial disability claims in the system as of June 30 were over six months old. This figure has remained fairly constant for the past several months. In fact it was 27 percent for January 31, 1990.

Most of our VFW Service Officers reported by station that the quality of decisions rendered were about as good or as bad as they had been for the preceeding 12-month period. A review of VA total adjudication division rating decisions going back one year shows that system-wide there is currently a seven percent monthly substantial material or procedural error for June 1990. This figure remains within almost two percentage points by month, going back about one year. The authorization (money) error rate for just C&P claims for the month of June 1990 was 12 percent. This figure has remained almost constant going back to July 1989 when it was 12.5 percent.

In summary all information indicates there has been no real improvement across the board. However, the VFW is not surprised. We realize the VA is the third largest Federal agency in terms of about 222,000 employees who conduct business with almost 73 million people or about 29 percent of the total population of the United States.

However, by this time next year, we certainly should see an improvement in both the areas of timeliness and quantity based on several on-going VBA actions. These include the additional 145 people and $2 million in new office automation to implement section 115 of P.L. 101-237 previously mentioned, to improve out-going C&P correspondence. Also the communication system, Automated Medical Information Exchange (AMIE), that ties in regional offices and medical centers is to be geographically expanded and purchase of WANG work stations for C&P use in underway.

The single most significant initiative to improve the quality of claims processing is the Adjudication Training Academy. It has already graduated two classes of about 30 students each. A third class began on July 9. Starting in FY 1991, or October 1990, the academy will conduct four classes and should graduate an additional 125 veterans claims examiners.

OTHER VFW SUGGESTED MANAGERIAL INITIATIVES:

Almost without exception all our field station Service Officers listed a need for more people and more training as ways to improve the C&P product. But aside from duplicating management actions already underway by VA, we also received several suggestions that seem easy to implement and appear to make good sense.

First, consider rotating the members of rating boards, whenever there are two or more boards, approximately every year. This has the distinct advantage of identifying and balancing out biases that rating specialists may have regarding certain types of claims and keep the same people from reviewing their own previously denied claim when appealed at the VARO. Also, this would expose the rating specialist to a greater number of board chiefs with their associated experience on how to handle a particular type of case.

Second, for those VAROs experiencing a long delay before receiving a requested examination, or where the examination is of poor quality/not complete, we think VBA could have more control over their own requested exams by working exclusively with or through a fee-based doctor.

Third, at this transition point in time, starting in the first quarter of FY 1991, reduce some of the adjudicator's present requirements to allow the division to have time to better review the decisions being made and the letters going out. Many obvious and/or small errors could be caught at the VARO action level.

Fourth, a recommendation to train/educate rating board members on the broad subject of mental illness with particular emphasis on Post Traumatic Stress Disorder (PTSD). Some adjudicators appear weak in this latter area.

Fifth was a suggestion to improve upon an existing VARO form used by nursing home patients seeking pension benefits. We have offered this idea to the Office of Chief Benefits Director as a separate action.

HEARING OFFICER PROGRAM:

Again this year the VFW Service Officers consistently expressed their appreciation for this effort. Each station would like to at least continue with the present hearing officer workload. We further suggest that this effort focuses on those VAROs with the highest percentage of Board of Veterans Appeals (BVA) remanded actions for the previous year.

CONCLUSION

The VFW believes the best course of action right now is to allow the new Chief Benefits Director of DVA to tailor his activity into a more effective and timely operation. Further, the VFW believes there is certainly room for improvement in many of the VAROs. We also think the additional funds, additional employees, the newly initiated Adjudication Academy, as well as on-going VA automation efforts in VBA areas, will make a difference. It should be just a matter of time, about 9 to 12 months, before improvements can be noted. However, we also firmly believe centralized supervision from the VBA office is necessary to ensure that management at the field operational station level exercise the degree of leadership needed to make sure that new people and new procedures are viewed in a positive manner. These close supervisory actions are one of the quickest ways to improve VBA services to our veterans, their widows, and dependents, in our judgment.

This concludes the VFW statement. I am prepared to answer questions at this time. Thank you again for asking the VFW to participate.

STATEMENT BEFORE THE

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE

COMMITTEE ON VETERANS' AFFAIRS, U. S. HOUSE OF REPRESENTATIVES

BY

CHARLES M. WILLIAMS, EXECUTIVE DIRECTOR

AMERICAN EX-PRISONERS OF WAR

WITH RESPECT TO

OVERSIGHT HEARINGS ON THE OPERATION OF THE

DEPARTMENT OF VETERANS AFFAIRS'

VETERANS BENEFITS ADMINISTRATION

WASHINGTON, DC JULY 26, 1990

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE, I am Charles M. Williams, Executive Director of The American Ex-Prisoners of War. We are an organization of some 32,000 members, representing the 70,000 former prisoners of war still alive. Many of our group are not as fortunate as I am. We are told that many are among the homeless and the street people of our country, but we have nothing to support this. We do know that approximately 29,000 have taken the POW protocol physical, and the same number are currently using, or have used some form of service OFFERED by the Department of Veterans Affairs.

Mr. Chairman, as you know, I have long been critical of the physical examinations, adjudication, rating and appeals process. Today I will be more positive. From the calls that come in from our members, there are considerably fewer complaints. Since the GAO report, a year ago, that reported sending the same physical to many regions and having the same case rated anywhere from 10% to 100%, I must tell you that we believe the spread to be less than it was. It does appear that ratings are tighter. That is they tend to be lower. Two phrases are heard most frequently: they are piecemeal development of the veterans' case and timeliness of adjudication. Apparently, in an effort to expedite the ADJUDICATION, the case is rushed, and two, three or even four SEPARATE requests must be made for additional information rather than doing a thorough review of the case and requesting every thing that is needed in one letter. This would expedite the whole procedure and not telegraph to the former pow that a sloppy job is being done.

I believe that many of the problems that we experience in this whole area can be laid to two specific concerns. The first is sensitivity. The second, and equally important, is the area of inadequate and inaccurate physical examinations. I would like to address each of these concerns.

The word sensitivity means different things to different people. When we use the word, we are saying that one should be concerned. He should understand that we are different, we have gone through an experience that at best would be difficult to understand unless you had been there. He should understand that most ex-pows are honest: If you ask a question, believe us, don't take for granted that we are lying. Everett Alvarez, the longest held prisoner in North Vietnam, and former Deputy Administrator of the Veterans Administration, said in an interview that 99% of us would not lie. He should have an understanding of what effect living under the constant threat of death has on one. He should know what severe malnutrition does to not only the body, but also to the mind.

I have had rating personnel tell me that the VA Form 10-0048 used in applying for the protocol examination, and the form actually used when giving the examination provides them with less good factual information, than those forms used for conventional physicals. If this is true, both forms should be revised with former pow's, rating personnel and Doctors used as advisors. I believe strongly that Doctors should be required to state on the physical WHETHER the condition being evaluated was service connected, probably was service connected, could

have been service connected, or was not service connected. There is no one more qualified to make this statement than a medical doctor who is sensitive to the POW, has completed a thorough physical of the former pow, and very possibly has been caring for the individual a period of time.

A few years ago there was an effort to SENSITIZE all VA personnel, and although the coverage, using a film, was far from complete, it did some good. The major problem is that with personnel changes, I assume that less than 25% of the personnel currently on board have seen the film, and those that are still with the VA have long since forgotten the message that it attempted to convey. I believe strongly that the doctors and social workers who are designated as POW Coordinators should be the ones that provide their medical care, give their physicals, and assume responsibility for the quality of the medical and social care. The Administrative POW Coordinator should be the former pow's contact with the world of the VA.

To sum this up, I believe the problem has diminished over the past year, but there is still a long way to go. I believe the sensitizing process for doctors and social workers must be an ongoing task, I believe forms need to be revised to more adequately do their intended job, I believe more attention

needs to be given to accuracy; speed will take care of itself. I believe that legislation and the DVA should be controlled by need, NOT by THE BUDGET. Last, I believe that we have the greatest Country and the greatest Flag in the World, but we need to get our values and our priorities straight. The Veterans of our Country got us where we are to-day, but when we asked them to risk their lives to protect our way of life we assumed a grave responsibility.

STATEMENT OF
JOHN C. BOLLINGER
ASSOCIATE LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
SUBCOMMITTEE ON COMPENSATION, PENSION, AND INSURANCE
OF THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING
THE OPERATION OF THE DEPARTMENT OF VETERANS AFFAIRS'
VETERANS BENEFITS ADMINISTRATION

JULY 26, 1990

Mr. Chairman and Members of the Subcommittee, on behalf of the members of Paralyzed Veterans of America (PVA), I wish to thank you for inviting us to testify today about the general operation of the Veterans Benefits Administration (VBA). Your concern for the well-being of this important element of the Department of Veterans Affairs is greatly appreciated by our members. Based on comments provided by PVA National Service Officers located in the various VA Regional Offices across the country, I will discuss the current performance of VBA's adjudication process and provide some general comments concerning resources and managerial initiatives within VBA.

The ability of VA's Compensation and Pension (C&P) Service to provide disability benefits to our Nation's veterans in a timely and accurate fashion represents, in our view, one of the most critical elements in the mission of VBA. For those eligible beneficiaries, whether they be service-connected or nonservice-connected veterans, DIC or pension widows, surviving parents or children, it is readily apparent that the Administration's ability to deliver the check is as important as the public law that granted the benefit in the first place.

Mr. Chairman, the Independent Budget for Fiscal Year 1991, which was submitted to the Congress earlier this year, describes in detail the current problems facing VBA particularly in regard to staffing levels and the effects of an inadequate General Operating Expenses (GOE) account. It is not our purpose, therefore, to reiterate those statistics today. The Independent Budget is a matter of record and we continue to concur with the assessments and recommendations provided in that document.

It is, however, of utmost importance that we emphasize the vital link between the GOE account and VBA's ability to carry out the laws that mandate delivery of the numerous entitlement programs under the Administration's jurisdiction. Without adequate staffing levels, VBA will be unable to effectively accomplish its mission. As discussed below, modernization alone will not provide the quick fix needed by VBA to restore good service to veterans over the next five years. We are certainly all aware of the unfortunate consequences of a decade of neglect and dwindling VBA staff as the result of shortsighted budget cuts imposed by the Office of Management and Budget. As we wait for the onslaught of massive numbers of new veterans entering the system due to military cutbacks, FTEE levels must reflect the fact that more veterans will file claims and more veterans will need the comprehensive services offered by VBA.

Although there has been much debate surrounding the actual number of backlogged cases in VBA's C&P Service, there can be no argument that many disabled veterans must now wait, in far too many instances, between nine and twelve months for their government to respond with benefits. For the PVA member who used to wait three months for a claim to be processed, current delays take on added significance as housing assistance, vocational rehabilitation, education, and employment opportunities are temporarily put on hold - each entity with its own set of problems and delays.

Further, in assessing the overall problems facing the C&P Service today, one must realize that there is a critical interaction between the various service divisions within DVA. Declining numbers of Veterans Benefits Counselors, adjudication personnel, field examiners, compliance surveyors, and others, collectively, affect one another in various ways. Due to C&P Service's reliance on all of these services, the overall decline in VBA staffing has been reflected, most adversely, by those individuals responsible for making rating decisions and writing disability awards.

As you know, recent disclosures by the Office of Management and Budget indicate that the federal deficit is far greater than anticipated just one month ago. It is clear that decisions involving the allocation of federal funds will require a high degree of prioritization. In order to improve the timeliness and quality of processing decisions, VBA, like never before, must raise its level of efficiency and productivity to new heights.

PVA believes the Veterans Benefits Administration has made progress in several key areas and we congratulate Chief Benefits Director D'Wayne Gray and his staff for making the best out of a grim fiscal situation. The VBA Training Academy, for example, is presently on its third session of trainees and improvements continue to be made in the program. We are very optimistic that the graduates of the Academy will possess a standardized interpretation of the laws, regulations, and procedures that must be applied by them on a daily basis to an ever-increasing volume of complex disability claims. With massive numbers of military personnel separating from the Armed Forces over the next several years, we are hopeful that the success of the program will translate into improvements in both timeliness and quality of claims processing. We strongly encourage both full budgetary support for this initiative and ongoing oversight to ensure that, if necessary, expansion of the program may take place.

Obviously, modernization of VBA's automated data processing must continue to have total support by management. Certainly the need to modernize in order to improve services to veterans while reducing costs is unparalleled in recent history. Both short and long term projects must be funded, fully developed and implemented. We believe VBA has made substantial progress toward ADP improvement in spite of funding inconsistencies and, at times, a less than full and unified commitment by the Department over the years. VBA employees continue to invest literally thousands of dedicated man-hours to automated technology.

At this very critical point in the evolution of VA's ADP advancement, we are pleased that Chief Benefits Director Gray agrees with us on several key elements. In response to questions from the Senate Committee on Veterans' Affairs during his confirmation hearing on February 1, 1990, Mr. Gray expressed his endorsement of the philosophy that ADP enhancements should not directly relate to personnel reductions which arbitrarily extract personnel cuts as the price for ADP improvements. Further, Mr. Gray stated, "What we need to do now is to use the modernization to work smarter, not to trade off people - to do our jobs better rather than to do jobs that otherwise would take manual functions, labor, people we could give up in exchange for modernization." And finally, in response to a question about backlogged claims and delays, "If I had to pick one particular item that I have determined so far would be most useful in cutting down that waiting time, it would be in the beginning of the modernization of ADP systems."

VBA has, unfortunately, been forced to give up far too many people in the name of modernization over the years. PVA believes it is important for Mr. Gray to strongly oppose reductions in FTEE as a trade-off for modernization. Until such time as VBA's "Twelve-Point Modernization Plan" is fully tested and implemented, we believe there should continue to be a clear understanding by VBA management that a sufficient level of FTEE is presently the most important factor in restoring good service to veterans. If reductions in FTEE are ever to take place, such reductions must not occur until good service has been restored through a combination of an adequately staffed work force and productivity gains resulting from interim and long-term ADP improvements.

Over the years, one of the greatest impediments to the delivery of good service has been the inability of VBA and VHS&RA to share information. Recent progress in the VBA-VHS&RA information exchange, however, has shown great potential in the area of modernization. Currently one of the main reasons for long delays in a veteran's claim, the exchange of information between the two Administrations has reached a level of sophistication that,

when fully implemented, will significantly improve the quantity and quality of claims processing. In the meantime, procurement of necessary software to enable regional offices to establish communication links to the Automated Medical Information Exchange (AMIE) must be accomplished as soon as possible.

Mr. Chairman, PVA strongly supported the provision in Public Law 101-237 which required the Department to provide a brief summary of the evidence considered, and the reasons for the decision, whenever a claim for disability benefits is denied. Originally introduced in the House by the Honorable Don Edwards (H.R. 3343), we believe this is an extremely important ingredient and fundamental part of every veterans' due process rights.

It is our understanding that this provision, effective February 1, 1990, is taking a toll on VBA's ability to provide timely responses to veterans' claims. Although we can appreciate the significance of this additional workload which has been placed on claims processing personnel, we do not believe anyone should have second thoughts about the wisdom behind the enactment of this provision. With large numbers of servicemen and women leaving the military, it will be especially important for VBA to have both a sufficient level of FTEE and sufficient degree of ADP sophistication to address this increased workload. Furthermore, we firmly believe that, over time, the inclusion of this information in disallowance letters will actually promote improvements in quality and timeliness. Veterans will no longer receive vague, generic responses which result in misunderstandings, unnecessary correspondence and follow-up claims. In the interim, VBA must work to improve correspondence quality by enhancing word processing capabilities and through other more sophisticated methods by which personnel can "customize" letters while minimizing time and effort. Again, VBA must reject any effort to reduce FTEE or limit ADP funding and, instead, aggressively pursue additional resources and staff to meet increased demands in the future.

PVA Survey

As a result of your letter of invitation to testify at this hearing today, PVA requested the comments of our National Service Officers (NSO's) who, located across the country, assist thousands of veterans and their dependents with VA claims every year. We asked them to comment specifically on the timeliness of processing claims, the quality of decisions, and VBA managerial decisions which may improve the overall efficiency of claims processing. Although VBA is making progress in certain areas such as the Training Academy and the testing of new ADP functions, it is clear from the remarks of these individuals, that serious problems still exist today in the Regional Offices.

Regarding the amount of time it takes for the C&P Service in VA Regional Offices to process a claim, responses from the various PVA NSO's were both consistent and disturbing. Due to a variety of factors, waiting times ranged from between six months and a year for many disability claims. Some NSO's believed SCI claims took longer because of the seriousness and complexity of the claims. They suggested that additional training is necessary for cases involving Special Monthly Compensation (SMC). The most frequently mentioned reasons for delays were:

1. Long delays in getting records from the military (the National Personnel Records Center) and delays in receiving verification of military retired pay and severance pay. Several NSO's suggested that DOD should provide certified copies of medical records for veterans to submit to the DVA.

2. Long delays in getting paperwork back and forth between Regional Offices and VA Medical Centers. NSO's reported that it takes between two to six months to get rating exams scheduled at the hospital and another two to three months to get the results of the exam back from the hospital. It often takes several requests before the medical center performs the actual examination needed by the RO rating specialist.

3. A new trend has been reported that the recent emphasis on claims for Chapter 30 benefits appears to be drawing adjudicators away from disability claims in order to process Montgomery GI Bill applications in a more timely and accurate fashion.

4. Both staffing shortages and the provision in PL 101-237 which requires disallowance letters to be more informative have caused additional delays in recent months. RO's need more rating specialists and emphasis must be placed on the new Training Academy. Too much time is being taken by journeymen adjudicators to train new employees.

Regarding quality of claims processing, NSO's generally feel that VA's emphasis on "end products" takes a heavy toll on the issues of accuracy and quality. As in the past, it remains a concern of many NSO's that claims are often prematurely denied instead of being properly developed. Other trends in the area of quality include:

1. Conservative rating decisions without giving the veteran the benefit of the doubt.

2. Lack of uniformity in the granting of the loss, or loss of use, of lower extremities and the extent of loss of bowel and bladder functions.

3. Inadequate examinations are frequently used for rating purposes. Cases must be more thoroughly developed. Mistakes are made too frequently because understaffed rating boards are expected to produce a certain quota of completed cases - quality suffers when timeliness is stressed.

4. General praise for the "hearing officer" program.

5. Correspondence to veterans continues to be incomplete and unclear. Efforts must be made to improve letter writing capabilities through enhanced ADP.

6. In some cases, PVA NSO's have not been advised of decisions made by rating boards. In other cases, they have not been sent development letters. PVA and other VSO's are in a position to greatly assist in gathering information and development of claims, however, without development requests from VBA, we are unaware of what information C&P Service needs and are unable to help.

Mr. Chairman, that concludes my testimony. I will be happy to answer any questions you may have.

STATEMENT OF
RICHARD F. SCHULTZ
ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE
OF THE
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
JULY 26, 1990

On behalf of the more than 1 million members of the Disabled American Veterans (DAV) and its Ladies Auxiliary, I take this opportunity to express our sincere appreciation for the invitation to present our views before the Subcommittee relative to the operation of the Department of Veterans Affairs' (VA) Veterans Benefits Administration (VBA).

Unfortunately, Mr. Chairman, we will not be able to present this testimony in person as the scheduling of this hearing conflicts with our annual National Convention.

Mr. Chairman, it is with a deep sense of frustration that we present this testimony. Our testimony will not differ significantly from the DAV's testimony of the past several years: the Compensation and Pension (C&P) service is understaffed, inadequately trained, and poorly supported by Automated Data Processing systems and, because of this, there are mounting claims backlogs and the timeliness and quality of adjudication is not acceptable.

These problems have been graphically identified and comprehensively analyzed in the last three Independent Budgets (IB). We can add little to the FY '91 IB and our testimony on it before the full House Veterans Affairs Committee (HVAC) on the problems C&P has and the resources and management initiatives needed to solve them.

We very much appreciate the work that you and the full committee did on the FY 1991 budget. Your recommendations and the insightful analyses supporting them are exactly what the budget process should be about. The work of the HVAC and the Veterans Service Organizations on the FY '91 IB, however, appears to have been for naught.

The bill reported by the VA, HUD and Independent Agencies House Appropriations Subcommittee strongly indicates that the budget process will once again ignore the real needs of veterans. Frankly, Mr. Chairman, we have grown weary of engaging in this exercise of budgetary futility. Further analysis would be redundant and we will therefore simply state the obvious: unless VBA in general and C&P in particular gets at least the resources recommended by the HVAC, service to veterans will continue to worsen.

In view of the Appropriations Subcommittee's action, the chances of this occurring are slim and none. This year, the wild card of the so-called Budget Summit has been added to the already stacked deck of the budget process, and the spectre of sequestration hovers over the negotiations of the summit's participants. Veterans can only view this environment with foreboding.

The reality, then, is that it is extremely unlikely that C&P will get the resources it needs to provide timely and accurate claims service to veterans. Effective management of limited resources, therefore, is more important than ever. Unfortunately, Mr. Chairman, the news on this front is not

encouraging either. A series of GAO reports attests to this, for example:

"Improvements Needed to Measure the Extent of Errors in VA Claims Processing" (April 1989, GAO/HRD-89-9); Improvements Needed in Processing Disability Claims" (June 1989, GAO/HRD-89-24); "Management Commitment Needed to Meet Information Challenges" (April 1990, GAO/IMTEC-90-27); and "Improved Management Needed to Reduce Waiting Time for Appeal Decisions" (May 1990, GAO/HRD-90-62).

Mr. Chairman, the last-mentioned report is particularly relevant to this hearing and some quotes from it are quite revealing:

VA has not identified the reasons for delays in the appeals process, nor the reasons for the wide variations in processing times among regional offices. It lacked data to identify systemic problems and to identify regional differences. Other management weaknesses that contribute to lengthy processing times included (1) a lack of time standards to measure performance, (2) ineffective guidance and oversight and, (3) a failure to correct known problems. Moreover, VA does not accurately report the time for the appeals process, resulting in a lack of accurate oversight data not only for VA but for the Congress as well. By improving management, VA can improve the time it takes to process appeals and the accuracy of reporting without adversely affecting the quality of decisions.

and

VA reports show that the average time spent by the regional offices and the Board of Veterans Appeals to process appeals decided by the Board was 419 days in fiscal year 1988. The regional offices spent an average of 283 of the 419 days. The average processing time ranged from 172 to 623 days among VA's 58 regional offices even though the process is the same for all offices. Thus, depending on where veterans file appeals, some wait much longer than others for decisions. VA has not determined the reasons for these wide variances.

and

VA needs to better manage the appeals process. Currently VA lacks (1) the necessary data on the regional offices' appeals processing to identify innovative practices or systemic problems to develop corrective action, (2) adequate time standards to provide incentives for regional offices to identify and avoid delays and to promote more uniformity in processing times, (3) effective guidance and oversight of the regional offices, thus some offices established procedures that lengthened the process and some circumvented VA requirements to reduce their reported processing times, and (4) a focal point to ensure that the units involved cooperate to effectively process appeals, so that processing and reporting problems can be resolved promptly.

and

The time VA reported to process cases decided by the Board of Veterans Appeals was understated. VA did not include time spent by the regional offices on appeals the Board returned to them for additional development. The regional offices spent an average of 282 additional days on about 5,500 cases that they returned to the Board for a final decision in fiscal year 1988. If included, this time would have increased the fiscal year 1988 average processing time from 419 to 457 days. Thus, VA management, the Congress, and

> others who use the data have an inaccurate perception of how long veterans actually wait for decisions.
>
> VA does not gather data nor report the time spent on appeals resolved in the regional offices -- about 45 percent of all appeals. Thus, VA management has no basis for accurately determining how promptly such appeals are resolved.

Mr. Chairman, it is difficult to imagine a more damning indictment of management. The VA's response to it:

> VA agreed that improved overall management would enhance the timeliness of the Department's benefits appeals process without adversely affecting the quality of decisions. The Department concurred with all of GAO's recommendations and said it has initiated actions to implement them.

What is particularly disturbing is not only the breadth and seriousness of the problems, largely a result of ineffective management, but GAO's conclusion that there was a failure to correct known problems. Mr. Chairman, this indifference is not surprising to us in view of the events surrounding the controversy over the size of the C&P pending workload. I would like to take this opportunity to update you on the situation.

You are aware of the background. Briefly, the DAV had lost confidence in the credibility of the pending workload figures provided by C&P because of our experience in preparing the FY '90 IB. In the FY '90 IB, we reported a C&P pending of 362,935 claims as of 8/88, a figure that was provided to us by the VA. This was more than double the 167,687 claims pending at the beginning of FY 1988. Subsequently, representatives of C&P advised House and Senate Committee staff that the pending at the close of FY 1988 was really 170,000 and not the 362,935 reported in the IB. After this experience, we decided to calculate the pending workload data independently, using VA data, for purposes of preparing the FY '91 IB.

The results of our judicious decision were startling and, we think embarrassing to the VA. In the FY '91 IB, we reported a C&P claims pending of 654,392 as of 8/89. The methodology we used was logical and, we thought, universally accepted: we took the pending at the close of 8/88, added receipts and subtracted dispositions for the following 12-month period to arrive at a pending for the close of 8/89.

The VA responded by stating to the Congress that the C&P pending at the close of FY 1989 (9/30/89) was actually 343,199. They also stated, however, that the C&P pending at the close of FY 1988 was 368,927, confirming the accuracy of the C&P pending of 362,935 as of 8/88, reported in the FY '90 IB. The pending of 170,000 previously reported by the VA at the close of FY 1988, was therefore understated by almost 200,000 claims. (Incredibly, C&P reported the same 9/88 pending of 170,000 to congressional staff subsequently, i.e., after they had stated that it actually was 368,927!)

Mr. Chairman, there are other instances where widely varying pending figures for the same periods have been reported by C&P, which in the interest of brevity, will not be repeated here. We have full background material and our analysis of the problem which we will be happy to provide to the Subcommittee. The point we wish to make at this hearing is the VA's response after they had been made fully aware of the problem.

At the suggestion of the House and Senate VACs, we met with representatives of C&P in 3/90. At the meeting, we expressed our concerns about the credibility of the reported workload data and

the system that produced it. C&P responded to us in a memo dated 6/29/90. We are not at all satisfied with the response.

C&P attributes the discrepancy of over 300,000 claims for FY 1989 to claims which are entered into the system, and subsequently cancelled, but not included in the completed column (so-call PCANs). Using our methodology to FY 1988 data (and using the corrected 9/88 pending of 368,927), however, produced a discrepancy of less than 8,000 claims. Thus, even accepting the explanation of C&P for the discrepancy (which one must do on faith, as no supporting data has been offered), the discrepancy produced by the system rose from under 8,000 in FY 1988 to over 300,000 in FY 1989.

That there is a major management information and accountability problem is indisputable. C&P's response: On the bright side, they have requested a change in the report program to include PCANs. When or if this will become a reality, however, is anyone's guess. In any event, it is closing the barn door after the horse is gone. The question remains: where are the 300,000 plus claims? We are not prepared to accept on faith, as apparently C&P is, that all 300,000 plus claims entered the dark hole of PCANs never to be found again. This is so, especially considering the fact that less than 8,000 claims apparently entered that dark hole during FY 1988.

Of greater concern to us and, we expect, to this Subcommittee, is C&P's apparent indifference to the 300,000 plus claims discrepancy. As stated to us, their planned action is: "Our analysis does not show that any further action is necessary." The rationale for this inactivity is that the 300,000 plus claims can be broken down to represent 18 per day per regional office, which apparently is not a source of concern.

Mr. Chairman, we think GAO's conclusion that there has been a failure by management to correct known problems applies to the pending controversy just described.

In this time of budget crisis, Congress absolutely requires accurate information. Mr. Chairman, the DAV has attempted to provide Congress with the information it needs in the IB and in our testimony to this Subcommittee and the full committee. We hope you find this information helpful to you in fulfilling your oversight responsibilities.

We would note in conclusion that recognition of the existence of a problem is the necessary first step to solving it. The new top management team has not been in place that long and has been confronted with a multitude of problems caused by a lack of effective management. In each instance, top management has responded responsibly to the above-cited GAO reports, recognizing that there are major problems that need to be addressed quickly and aggressively. We certainly expect that now that the problems relating to the C&P pending workload data and the system that produces it have been identified, top management will, as with the GAO reports, admit to the obvious presence of the problems and take the actions necessary to correct them.

VA management has much room for improvement and a business-as-usual attitude clearly is not the answer. As part of its oversight responsibility, this Subcommittee needs to ensure that the VA is, in fact, taking the promised corrective actions and, perhaps more importantly, that VA management, as an ongoing activity, constantly assesses the claims operation and processes to identify problems, correct them, and thereby improve service to veterans and their families.

Mr. Chairman, we again thank you for inviting us to present our views on the operation of VBA and commend you and the members of the Subcommittee for your continued oversight efforts in this area.

STATEMENT OF

JONATHAN GAFFNEY
AMVETS NATIONAL LEGISLATIVE DIRECTOR

Before the

SUBCOMMITTEE ON COMPENSATION, PENSION, AND INSURANCE

Of The

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

On

DEPARTMENT OF VETERANS' AFFAIRS
VETERANS BENEFITS ADMINISTRATION

JULY 26, 1990

Mr. Chairman, AMVETS is grateful to you and Members of the Committee for giving our organization the opportunity to provide an assessment of the services provided by the Department of Veterans' Affairs Veterans Benefits Administration (VBA). As with all veterans' service organizations, we have an acute interest in the operation and efficiency of the VBA and welcome the chance to offer our views.

As you know, the VBA is the main link between the granting of Department of Veterans Affairs (DVA) benefits and the many, diverse groups of individuals that qualify for them. But what AMVETS has found, as a result of close contact with our 60 service officers located across the United States, is that the operation of the VBA continues to be unacceptable, specifically with regards to overall claims processing.

While we acknowledge and are encouraged by the marginal improvements within the VBA outlined by General Gray in his testimony -- particularly in the slight reduction of the backlog of compensation and pension claims -- we can't underestimate the significance of the work that still needs to be accomplished. There is no question that without both an increased, educated staff and an efficient data processing system continued improvements will be difficult to achieve.

Under the specter of upwards of $500 million in Gramm-Rudman budget cuts facing the Department of Veterans' Affairs, AMVETS is extremely concerned that any progress made in VBA efforts at reestablishing a responsive, efficient operation will be wiped out. Under this scenario such VBA initiatives as the Adjudication Training Academy, the planned increase of VBA full-time equivalent employees (FTEE), the Automated Medical Information Exchange (AMIE), and continued ADP modernization -- all improvements that AMVETS supports -- will be hit with budget reductions. The most significant result will be a further decrease in timeliness of the adjudication process and subsequent appeals. Furthermore, we must go on the record as against any potential changes to the service-connected rating schedules.

AMVETS would like to take this time to reassert one of the

recommendations made in the Price of Peace, the FY 1991 Independent Budget, which essentially states that without increased staffing in the Veterans' Benefits Administration our veterans will never see a long-term stabilization of the backlog of VBA claims, let alone any significant reductions. With the imminent separation of upwards of 500,000 active-duty military members over the next 5 years, this shortage of trained personnel will be even more evident. Increased automation is always welcome, but in the case of claims processing and adjudication there is no substitute for an experienced, well-trained VBA adjudicator.

We are pleased that General Gray and the Veterans Benefits Administration have no further plans to consolidate further certain functions related to the VBA. AMVETS considers regionalization a disservice to veterans which would ultimately hinder even further the claims process. On the "positive side" of veterans' service we support the continued evolution of the DVA Adjudication Academy as well as the provision of more detailed correspondence generated by the VBA.

In closing, AMVETS wishes to acknowledge the selfless dedication exhibited by an understaffed, overburdened Veterans Benefits Administration. That they are able to keep their heads above the rising waters of increased demands is a tribute to their dedication. We stand with this committee in attempting to find a viable, affordable, long-term solution to the benefits processing problem within the VBA. We thank this Committee for allowing us a chance to voice our concerns.

STATEMENT OF PHILIP R. WILKERSON, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
TO THE SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
JULY 26, 1990

Mr. Chairman and Member of the Subcommittee:

The American Legion appreciates the opportunity to present its views on the operation of the Veterans Benefits Administration (VBA) with respect to the quality and timeliness in the adjudication of veterans' benefit claims.

Over the years, Congress has established programs of direct benefits to veterans, their dependents and survivors, under title 38, United States Code, which include compensation for service related disability and death, nonservice-connected disability and death pension, vocational rehabilitation and educational assistance allowances, and burial benefits. The effectiveness and efficiency of the Veterans Benefits Administration benefit delivery program can be assessed by the factors of timeliness in the processing of claims and quality review data, based on the Administration's own workload and quality review reports as well as information received from Legion Department Service Officers around the country, and the 4 regional offices handling Chapter 30 cases.

This Subcommittee considered a number of longstanding problems affecting timeliness and quality in benefit claims processing and the Veterans Benefits Administration's efforts to address them in the oversight hearing conducted in May 1989. Mr. Chairman, we once again wish to commend you for scheduling this timely hearing to reexamine the Administration's current claims processing operations.

Within the Veterans Benefits Administration, the Compensation and Pension Service is responsible for the operation of the various programs of direct benefits for veterans, dependents, and survivors through the of 59 regional offices located in the 50 United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Philippines. In FY 1990, it is estimated that approximately 5 million claims actions will occur involving the award or denial of basic or additional benefits. Payment of benefits will total over $16.1 billion to some 5.1 million eligible individuals.

According to VA data for the first half of FY 1990, the number of days required to complete the processing for almost all types of benefit claims or award adjustments has steadily increased. This represents a continuation of the trend of the past several years. Additionally, there has been a small, but steady increase in the number of errors reported in the quality review program. The American Legion has expressed its concerns

regarding the deterioration in both the quality of decisions on benefits claims and the lack of timely processing of claims to the Congressional Veterans Affairs Committees on numerous occasions. Fundamental to this concern is the fact that VA beneficiaries are, in the main, either service disabled, their dependents, or survivors, or the aged and infirmed. These beneficiaries are very much in need of the services and benefits being claimed, many on an urgent basis, to maintain themselves and their families. The American Legion believes very strongly that they are entitled to and deserving of a system in which their claims will be adjudicated in a fair, expeditious, and correct manner. It is, therefore, essential that the Veterans Benefits Administration have the necessary staff and resources to render decisions that are consistent with the provisions of the law, regulations and agency policy and to make payment of any benefits due without untimely delays, in order to achieve the measure of financial compensation and income support intended by Congress.

There are a number of factors which have had a direct impact on the present level of productivity in the regional offices as well as quality and timeliness in claims processing activities.

As has been pointed out in previous hearings, staffing in the regional offices has been the subject of consistent and persistent reductions totaling approximately 41% over the past twelve years. Employment has in fact dropped from 6,004 FTEE in 1978 to 3,752 FTEE under the FY 1990 budget. For FY 1991, staffing is expected to only increase by 7 FTEE. The often-cited basis for this pattern of employment has been declining workloads and budget savings attributable to computer modernization initiatives. This is despite VA's continued acknowledgment of serious problems in the timely processing of new and reopened benefit claims and reported increases in the number of errors occurring in decisions and actions on these claims.

Mr. Chairman, The American Legion continues to be supportive of economy of personnel in the Federal workforce and the maximum utilization of modern electronic data processing technology. However, as staffing in the regional office claims processing activities has declined, the workload of new claims and adjustments to running awards has not undergone a similar decline, during the same period. Not only are there fewer personnel to perform the necessary developmental and adjudicative functions required, but the means used to achieve mandated employment levels has caused many stations to lose large numbers of experienced, trained, and highly productive personnel from the adjudication, administrative, and support divisions. Similarly the available TARGET and

related ADP systems have not provided the necessary increased flexibility or speed to keep pace with current workload requirements. VBA has taken a "bare bones" approach to modernization and any substantial improvements in the ADP system are still several years away. In the meantime, the enactment of recent legislation and the promulgation of new regulations have added unanticipated workloads which have had a direct and negative impact on the timeliness of claims processing activities. In addition, veterans' benefit claims are becoming increasingly complex due in part to such issues as the pathology of post-traumatic stress disorder, the effects of exposure to Agent Orange and ionizing radiation, for example. Such complex issues require substantially more man-hours to fully develop and properly adjudicate each case.

Procedures have been recently implemented to more fully ensure claimants' due process rights, including the establishment of the Hearing Officer program and the provision of more informative decision notices and correspondence to claimants. These requirements have added significantly to overall processing times.

The impact of the persistent decline in overall staffing in the adjudication divisions in regional offices and the loss of many experienced and trained adjudicators together with the additional workload requirements is graphically illustrated, we believe, by the continuing pattern of increasing processing times for almost all categories of benefit claims. According to available data, the regional offices in FY 1986 were able to complete processing on 34.9% of initial disability compensation claims within 90 days or less. Over the past four years, the percentage of cases completed within this timeframe has continued to drop and as of the end of the third quarter of FY 1990, it was only 27%. Dependency and indemnity compensation claims completed within 90 days or less, in the same period, have gone from 64.6% down to 59.2%. An exception to this pattern can be found in original disability pension claims. These went from 54.9% in FY 1986 to 57.6% in FY 1990. Death pension claims, however, went from 79.5% to 73.7%.

Upon reviewing the data for the same categories of cases completed within six months or less, the percentages continue to decline which means that it is taking longer and longer for the necessary developmental action to be accomplished which leads to rising backlogs and delays in benefit payments. In FY 1986, the regional offices were able to complete 79.6% of initial disability compensation claims within six months. Currently, only 68.5% are completed within this timeframe. For dependency and indemnity claims in FY 1986, the percentage completed was 91.6% and as of the third quarter of FY 1990 it was 90%. For nonservice-connected disability pension claims,

90.3% were completed in FY 1986 and in FY 1990, it was down to 88.1%. Death pension claims went from 97.2% to 95.6%.

We also believe the adverse effects of the staffing cuts and loss of experienced personnel on the quality of decisions rendered on benefit claims are clearly evident in an increasing number of errors found in the course of the VBA's quality review program. A substantive error is one involving an incorrect or erroneous decision on an issue of entitlement, eligibility, or monetary benefits, which if uncorrected, results in or would result in an improper grant or denial of benefits, including the right to due process. A material error relates to deficiencies in rating actions where grants or denial were based on incomplete evidence or where the judgment or rational for a decision appeared questionable. A procedural error results from the failure to follow the requisite administrative guidelines and procedures. In our view, the pattern in the error rate reflects a possible lack of necessary training and/or supervision in claims processing. The American Legion believes very strongly that all claims must be developed and processed in a timely manner. It is equally important to the claimant and VA that the decisions rendered by the regional offices are proper and correct.

Mr. Chairman, although the Veterans Benefits Administration is clearly faced with a number of serious long-term problems, as previously discussed, there is one initiative which is expected to improve the overall level of training and proficiency of regional office adjudicators. This is the establishment of the Adjudication Academy. Productivity in the regional offices is also expected to be favorably affected, given the intensive nature of the training provided and the fact that it is conducted at a specialized and centralized location rather utilizing senior adjudication personnel at each station.

Another initiative which is already improving the quality of VA's decision-making process in the Hearing Officer Program. The establishment of this program in October 1988 for the personal hearings at the Regional Office level, or in lieu of a hearing before the Board of Veterans Appeals in Washington, has overcome many of the problems associated with the previous practice of having hearings conducted by the local rating board. As claimants have become better informed regarding this change in the hearing procedure, they feel the Hearing Officer will be more emphathetic to their case, rather than being confrontational or adverserial. Also, greater attention is being given to the development of necessary evidence in a claim before a decision is rendered. While there may be some delay involved with scheduling personal hearings or possible additional development in certain cases, both of which contribute in some degree to the overall

increase in processing times, we believe this is a small price to pay for a significant improvement in VA's due process procedures.

On the subject of enhanced due process and whether or not this is having an adverse impact on timeliness in claims processing, provisions of PL 100-687 and more recently PL 101-237 have required VA to make correspondence and notices to claimants more informative and understandable and to formally notify them of their procedural due process and appellate rights. According to VA, compliance with these requirements is adding a substantial amount of processing time to each claim which means that the size of existing backlogs will further increase. VA is undertaking efforts to improve its computer-generated correspondence and notices. However, in view of limited personnel and ADP resources, timeliness in all probability will be severely affected during the remainder of this fiscal year. Unless additional funding is made available in FY 1991, the situation undoubtedly will continue to worsen. Clearly, there is a pressing need to provide VA with the personnel and the ADP equipment necessary to fully meet the statutory requirements of the law in a timely manner, as we believe Congress intended.

Mr. Chairman, we wish to bring to the attention of this Subcommittee the fact that increased processing times in many types of cases have resulted from delays in the receipt of service medical records due to serious staffing problems at the National Personnel Records Center in St. Louis, Missouri. Budget adjustments in the last several months within the National Archives and Records Administration have caused the backlog of requests for military records to grow to the biggest it has been in the last 10 years.

According to NPRC management, the normal number of pending requests in recent years has been about 25,000. Because of a hiring freeze and no authorized overtime, the backlog rose to 75,000 requests by May 1990. Within the past month, $200,000 was allocated to NPRC for overtime for the balance of FY 1990 and additional funding was provided to return those personnel who were on half-time status to full-time status. There is, however, no indication of whether or not this level of funding will continue into FY 1991.

With respect to initiatives to improve the response time between NPRC and the regional offices, within the past several years great effort has been placed on automating VA's requests for service records. NPRC reports that approximately 75% of the requests received are via the TARGET system. The remainder are received through the mail using a request form for both initial requests and follow-up requests. While in many

instances the use of the paper form may be appropriate, it is severely time-consuming both for VA and NPRC, particularly when the TARGET system has the required capability. We would recommend that regional offices seek to utilize TARGET for initial and follow-up requests to the maximum extent possible.

Mr. Chairman, The American Legion is also concerned that decentralization of the Chapter 30-Montgomery GI Bill program is continuing to have an adverse effect on the timeliness of compensation and pension claim processing at the Atlanta and Buffalo VA regional offices.

In July 1989, three regional offices in addition to St. Louis were designated to handle all Chapter 30 claims. At Buffalo and Atlanta, much of the staffing for the Chapter 30 units was taken from the adjudication units handling compensation and pension cases. This included some of the most experienced and productive journeyman and senior adjudicators as well as other key support personnel, which has left the non-Chapter 30 adjudication units seriously understaffed. In response to a growing Chapter 30 workload together with a heavy Fall 1989 college enrollment and a subsequent an unexpectedly large number of conversions of individuals with eligibility under Chapter 34 to Chapter 30, these regional offices have continued to assign a part of this workload to adjudicators who are supposed to be handling compensation and pension claims. Even with the use of overtime and special teams from other regional offices, backlogs have increased with over 5,000 pending compensation and pension claims at each station.

In Buffalo and Atlanta, it is becoming increasingly difficult for service officers to obtain C-files in order to assist veterans and their families or to provide information on the status of a claim. What had taken several weeks to have processed last year is now taking several months. This situation is also adversely affecting the activities of the Veterans Services Division. It is now taking longer to respond to inquiries and there are more frequent complaints concerning delays on claims. Vocational Rehabilitation is also experiencing delayed eligibility claims as well as counseling and evaluation appointments.

This situation was brought to the attention of VBA officials some six months ago. At that time, The American Legion was assured that the backlogs were only temporary and that efforts were underway to resolve the problem. Unfortunately, the backlogs have continue to grow and timeliness has slipped further at these stations, with no permanent solution in sight.

While we recognize that Chapter 30 enrollees are entitled to receive subsistence benefits in a timely manner, we are deeply concerned that some of the steps taken by

VBA to manage the Chapter 30 caseload have caused increasing delays for compensation and pension claimants in the states of New York and Georgia. In our opinion, additional resources are urgently needed at both Atlanta and Buffalo to ensure that service to one group of veterans does not jeopardize service to others.

With respect to future operation of the Chapter 30 program, projections indicate the number of participants will continue to grow. This growth may escalate significantly if there is a sizable reduction in our active duty Armed Forces over the next few years. If this occurs, it is anticipated there will also be an increased number of disability compensation claims being filed. Additional manpower, space, and ADP equipment in most if not all regional offices and especially in those offices handling Chapter 30 claims will be required to handle the increased workload. We believe it is essential that VBA begin the necessary planning now to address both current and future needs.

Mr. Chairman, your letter of invitation also requested comment on the types of managerial initiatives VA ought to be considering to improve its overall efficiency in the processing of veterans' claims. We recognize that many of the problems discussed earlier in our statement are the culmination of recurrent budget constraints, legislative and regulatory changes. VA's "bare bones" approach to modernization of the TARGET system has not provided the additional ADP support necessary to compensate for the shortage of trained and experienced staff and since no major improvements in this area are expected for the next several years, we believe consideration might be given to possible changes in a number of areas.

Piecemeal or unnecessary development of a claim by VA continues to be a problem. This involves correspondence to claimants and others requesting information or evidence which may have been previously submitted and is of record. Suspense dates for follow-up action are not always adhered to. Mail received from claimants, such as EVR's, forms, evidence, or other types of correspondence requiring adjudicative or administrative action, is often lost or misfiled causing frequent inquiries and often necessitating resubmission. The net result is that it is taking longer and longer for action to be completed on a claim. In our opinion, improvement is necessary in VBA's work measurement system to more accurately report work actually performed.

Coincidently, over the last several years there has been a loss of supervisory positions which we believe has had a direct effect on the deterioration in both quality and timeliness in claims processing activities. One way to possibly address this situation would be through a reorganization within the adjudication divisions along with continued

emphasis on training of adjudicators and support staff.

One of the chronic bottlenecks in the development and processing of many disability claims is the receipt of medical reports and information from the VA medical centers, to include C&P examinations, admission and discharge notifications, hospital and outpatient reports. The Automated Medical Information Exchange (AMIE) program has been established which should greatly speed up the communication process. However, it is not operational at all VA medical centers. We strongly urge that VBA and VHSRA speed up the full implementation of the AMIE system.

With respect to current problems in the processing of Chapter 30 claims and the prospects of increased workloads in the near future, we believe VBA should consider the possibility of establishing additional regional processing offices in several more states.

In conclusion, we believe that additional staffing and resources are urgently needed to stem the deterioration in the timeliness and quality of claims processing activities across the country.

Mr. Chairman, that concludes our statement.

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

OCT 2 1990

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed please find the Department's responses to questions raised by Representative Bob McEwen following the July 26, 1990, hearing on the Operations of the Veterans Benefits Administration. A copy of the responses has been provided to Representative McEwen.

Sincerely yours,

Edward J. Derwinski

Enclosures
EJD/flc

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

QUESTIONS FOR THE RECORD BY
THE HONORABLE BOB MCEWEN
JULY 26, 1990
SUBCOMMITTEE ON COMPENSATION, PENSION & INSURANCE HEARING

QUESTION 1: What is the time period between receipt of a claim and its inclusion in the "TARGET" control system? Is the time between receipt and TARGET input included in the timeliness measurement?

ANSWER: Target Average Delay Time does include the time period between receipt of a claim and its inclusion in the Target control system. Our standard is to establish Target controls for all claims within seven calendar days of receipt in the regional office. In July, the national average was 6.4 days. Overall claims processing timeliness is measured from date of receipt to date of finalization.

QUESTION 2: Is it true that adjudication of Chapter 30 MGIB claims is taking precedence over disability claims throughout the system, resulting in backlogs in disability claims? And, if so, what are you doing to correct the situation?

ANSWER: It is true that the adjudication of Chapter 30 MGIB claims is being stressed at the four Regional Processing Offices (RPO's). As a result, the pending workload at three of the four RPO's has increased (see chart below) while the general trend of C&P timeliness and quality at the four RPO's has been one of little change for the past year. We expect that the increased pending compensation and pension workload will be temporary because we are adding additional staff at the RPO's to process the MGIB claims.

COMPENSATION AND PENSION PENDING WORKLOAD AT RPO's

	8/89	10/89	12/89	2/90	4/90	6/90
ATLANTA	8815	10461	10978	10375	11281	12568
BUFFALO	6835	7450	6804	7654	8592	8977
MUSKOGEE	7450	8817	9718	9161	9348	9582
ST LOUIS	6582	7241	7176	6572	6617	6502

QUESTION 3: Are today's timeliness standards the same as those used in FY 88?

ANSWER: No. The timeliness standards are recomputed every fiscal year based on the previous fiscal year 12-month cumulative average. Timeliness goals, however, have remained the same.

QUESTION 4: Could you provide us an update on the projected number of compensation and pension claims which you anticipate being received as a result of the increased number of individuals leaving military service?

ANSWER: Since presentation of the question on July 26, 1990, world events have changed dramatically. Even if the world situation stabilizes, we do not know if the proposal for troop reduction will be renewed. If it is renewed, we do not know if the proposal will contain the same figures which were released prior to the current Mideast crisis.

We do not feel confident that we can provide a realistic estimate of potential compensation and pension claims at this time.

QUESTION 5: Could you give us the results of your consumer satisfaction survey which was recently taken and how it has improved the timeliness and quality of service?

ANSWER: Attached is a copy of the Consumer Satisfaction Survey recently conducted for VBA by DAC International, Inc. This was essentially a test of the survey instrument, and the results are being reviewed by each Service within VBA to determine whether the survey questions need any revision or refinement to produce more meaningful responses. We believe this survey technique will be useful in identifying areas where timeliness and quality of service, as perceived by claimants, can be improved.

QUESTION 6: How has the initiation by the Committee on Waivers and Compromises of the automated case control program, now available to all field stations, affected the timeliness of decisions?

ANSWER: The case control program is not intended to significantly affect the timeliness of Committee decisions. Instead, the automated program is expected to improve control of Committee cases. As is inherent in any manual system that is automated, an ancillary effect is some improvement in timeliness. The new system tracks cases more effectively. The program was exported to all stations in July 1990. At that time, there was a backlog of cases at all stations due to a moratorium imposed in December 1989 as a result of Public Law 101-237. The moratorium was lifted in February 1990, so it is too soon to make an accurate evaluation of the program. We expect to make our first assessment of station timeliness at the end of the first quarter of fiscal year 1991.

QUESTION 7: Have you seen any significant results in the timeliness and quality of claims processing since the initiation of the Adjudication Training Academy?

ANSWER: The Adjudication Training Academy completed its first session for thirty new adjudicators on April 6, 1990. The Academy has since completed two additional sessions with the last on August 16, 1990. Since the first group of trainees has been on the job for just over four months, and the most recent group for only a few weeks, we think that it is too soon at this time to detect any significant results in timeliness or quality resulting from the Training Academy.

QUESTION 8: What is being done to correct the turn-around times between The US Army Finance and Accounting Center and the VA for the processing of Survivor Benefits Plan/Dependency and Indemnity Compensation (SBP/DIC) claims which require offsets?

ANSWER: VA and Army staff have had numerous discussions regarding the problems relating to the processing of SBP/DIC claims requiring offset. The primary problem is lack of telephone access to the finance center's retired pay operation. The Army has provided VA access only through the Army's "800" lines which are consistently busy. As a result it is exceedingly difficult for VA adjudicative and finance personnel to obtain information necessary to process these claims.

We have repeatedly requested that the Army establish a dedicated phone line for VA use, but this has not been done. As an alternative, we have asked if the Army would consider establishing a communications link with VA's Wang system, but a decision on that alternative has not yet been made by the Department of the Army.

QUESTION 9: In testimony before our subcommittee last year, members of your staff indicated three locations in which the testing of bar coding was being done and that, hopefully, it would be distributed to the field prior to FY 91. What is the status of the project? And, how is it improving control of claims being processed?

ANSWER: The Control of Veterans Records Project (COVERS) which uses barcoding technology to track claims folders is undergoing final system testing at the Model Station in Philadelphia. It will be installed in the Philadelphia Regional Office and Insurance Center (RO&IC) during September 1990 for a full production shake-down commencing October 1, 1990. The RO&IC will serve as the Alpha test site. Beta site testing will be conducted at the Washington, D. C. and Phoenix Regional Offices during November 1990.

The prototype system developed at the Roanoke Regional Office formed the basis for the system now being tested in Philadelphia. Preliminary evaluation of the prototype in March 1990 indicated improved control of claims in that folder search time was reduced; mail routing time to folders was reduced; fewer numbers of folders were in temporary "lost" status; and the overall claims development processing time was shortened.

The evaluation also identified additional requirements for the system which would significantly enhance its ability to improve the control of claims. They include hand-held computers to assist in folder search and folder inventory processes, enhanced security features to ensure the appropriate handling of folders and additional report capability to provide the users with increased flexibility in specifying report criteria. In addition, the system was restructured to align it more directly with the actual regional office workflow. This makes the system easier to use and assists its users in their daily operations.

The plans for nationwide distribution of this sytem will become final upon award of the Fourth Generation Language procurement, currently scheduled for December 1990.

QUESTION 10: How has the implementation of the provisions of section 115 of PL 101-237, requiring that a more detailed decision letter be written, affected the timeliness of those decisions? And, do you have sufficient resources in the way of staff and equipment to handle them?

ANSWER: Implementation of the provisions of section 115 of PL 101-237 has adversely affected compensation and pension claims processing timeliness. We estimate that the compensation and pension pending workload at the end of FY 90 will be 13 percent greater than at the end of FY 89. A performance study revealed that it takes almost 19 percent more work to process an original compensation claim and almost 15 percent more work to process a reopened claim or a claim for increased benefits.

To offset the impact of the law, we need additional FTEE as well as additional word processing equipment that will enable claims examiners to produce, with a minimum of keystrokes, letters that are tailored to each individual case.

QUESTION 11: What is the status of the audit of your compensation and pension claims reporting/accounting system?

ANSWER: We have completed an analysis of our Operating Performance Reports for fiscal years 1988 and 1989 in an effort to explain what appeared to be a discrepancy between the number of claims shown as received and the somewhat lower number shown as completed. Under ideal circumstances, the number of pending end products established when claims are received would equal the number of completed end products recorded when final actions are taken. In practice, however, a small percentage of pending end products are inevitably established in error and must be cancelled and re-established correctly. Unfortunately, the present system does not treat these cancellations as completions, so there are always more claims shown as received than completed. Our analysis shows that the difference can be accounted for on the basis of 16 such cancellations and re-establishments per regional office per day. Future reports generated by the Distribution of Operational Resources (DOOR) System should eliminate this apparent discrepancy.

QUESTION 12: What control, if any, do you have of tracking claims after they leave the regional office for the Board of Veterans' Appeals (BVA) and those that are remanded back to the regional office for follow-up action?

ANSWER: These claims are tracked through the Veterans Appeals Records Management System (VARMS). Records are established and maintained by regional office personnel.

QUESTION 13: What has VBA done to analyze the regional and BVA'S appeals process to identify when and where delays occur?

ANSWER: All regional offices are required annually to analyze and report their effectiveness in controlling the timeliness of appeals processing. They are required to identify particular problems encountered and corrective action proposed. Additionally, during on-site visits, our survey teams review appeal processing procedures to identify local processing problem areas which need to be corrected. Results of these surveys are reviewed not only for local applicability but also for trends or patterns of a general nature which can be addressed nationally.

QUESTION 14: What steps are you taking to reduce the time it takes to process appeals?

ANSWER: We are continuing the process of redesigning the computer system we use for tracking appeals. This process will be completed and the new system will be implemented as rapidly as design and testing allow. In the interim we are stressing to our regional offices the importance of fully using the capabilities of the current, less automated, appeals tracking system. We have included in our on-site office surveys review of regional office compliance with existing appeals tracking procedures and stressed to local management our concern for continued emphasis on adequate controls and prompt processing.

QUESTION 15: How are you implementing the GAO'S recommendations as set forth in their May 1990 report to improve the processing of veterans appeals?

ANSWER: GAO recommendations will be implemented through installation of the planned redesigned computer system which will facilitate more accurate tracking of appeal processing. The planned system will quantify the time required during several important steps in the appeal process. This will identify when and where delays occur, enhancing management capability to address specific problem areas. The planned system will enable us to set meaningful timeliness guidelines

as well as identify trends both nationally and locally. The system will also enhance our ability to accurately account for all time spent on appeals.

QUESTION 16: How are you modifying the data collection methods to account for all the time spent on appeals?

ANSWER: Our project to incorporate the VARMS functions into the regular claims processing functions means that we will be able to measure and track these issues through the Work In Process Program (WIPP). Additionally, we have designed new WIPP screen formats to measure timeliness of appeals from each stage of the appeal to the next. This will help us pinpoint potential problem areas and will also help us account for time that is beyond our control, such as the time between the issuance of the Statement of the Case and the filing of the substantive appeal by the claimant.

QUESTION 17: Are you setting up an office to oversee or manage the entire appeals process to ensure that processing and reporting problems are resolved in a timely manner?

ANSWER: A Functional and Staffing Analysis Task Force has been established by the Deputy Secretary to oversee and review systematic analyses of all VA Central Office administration and staff office organizations. This review is continuing and no recommendation has yet been made concerning an office with oversight responsibility for the appeals process.

QUESTION 18: Recently VBA issued procedural instructions for implementing section 115 of PL 101-237 for educational benefits claims. Are similar instructions being prepared for disability claims, and when will they be issued?

ANSWER: The instructions for disability claims have been issued. A draft of Circular 20-90-1, NOTIFICATION REQUIREMENTS AND PROCEDURES REQUIRED BY THE ENACTMENT OF SECTION 3004 IN TITLE 38 U.S.C., containing instructions for implementing section 115 of PL 101-237, was sent to our field stations on January 18, 1990. The final version of that circular was issued on March 16, 1990.

VETERANS BENEFITS ADMINISTRATION
CONSUMER SATISFACTION SURVEY

Compensation and Pension

Introduction:

The following report is based on the results of telephone interviews with 400 veterans whose Compensation or Pension record changed during Fiscal Year 1988. Regional Office (RO) staff assisted by looking up phone numbers for the sample cases in their service area. Interviewing took place in May 1990.

The questionnaire was developed by the contractor in consultation with representatives from Compensation and Pension Service (C&P). A variety of topics were covered in an effort to get a handle on the overall level of satisfaction of veterans with the services they received. While it was intended that the results of this study stand alone, it was also hoped that this study would be a pilot study for future efforts in this area.

Due to the sample size in this study, it is often impossible to do much analysis of the smaller sub-groups, particularly after a series of screen questions has reduced the base.

Results and Analysis:

The survey asked about four types of contacts with VA: letter, phone, visits to an RO, and visits to a Veterans Benefits Counselor (VBC) at a medical center. Over the year prior to the interview, veterans used slightly over two different means of contact. Almost three-fifths (58 percent) called a VA office with slightly smaller numbers having visited an RO (55 percent), written a letter (57 percent) or saw a VBC at a medical center (45 percent). The questionnaire did not ask how many times they called, wrote, or came by personally.

As expected, the topic of at least one of the contacts during the period under consideration for every veteran was filing a claim for compensation or pension. The second most common topic, mentioned by less than half the veterans (45 percent), dealt with outpatient or clinic medical care. The next most common topics were inpatient hospital care (28 percent), educational loans (13 percent), vocational rehabilitation (10 percent), insurance (10 percent), and home loans (3 percent).

The remainder of the questions were concerned with the veterans' compensation or pension actions. About one-in-eight (13 percent) of the cases were still pending at the time of the interview. These might be new claims that were still working their way through the system, but it is not possible to say for sure. This small group were asked several questions about the progress of their claim.

About three-fifths (62 percent) said the processing time was taking longer than they thought it would. But only half that number (31 percent) had contacted VA about the progress of their claim. These contacts, which average about three per veteran, are evenly divided between phone calls and personal visits to the RO (50 percent each) with a small number (13 percent) writing a letter.

Almost all (94 percent) of these veterans feel they have been treated courteously. A slightly smaller number (88 percent) felt they completely understood all the information they were given. Only a little less than two-fifths were not satisfied with the information they received. The numbers in this category are too small to get a handle on the reasons for this dissatisfaction.

About one-third (34 percent) of those whose claim work had been completed reported it took two months or less to finish the work on their claim. Another 20 percent said the work took three to six months. About three-in-ten (31 percent) did not know how long it took to process their claim.

A little over one-third (35 percent) of those whose claim work was completed contacted VA an average of almost 3 times during the processing of their claim. As with those whose claims are still being processed, there was an equal amount of phone and in-person contact (45 percent and 46 percent respectively) though there were more contacts by mail (17 percent).

Less than one-tenth (8 percent) felt they were not treated courteously. Fully one-fifth (20 percent) did not completely understand the information they were given about their claim.

Slightly less than two-fifths (38 percent) were not satisfied with the information they received. Most of the reasons given for not being satisfied related to the fact that the veteran did not get what he/she wanted — 57 percent were not satisfied because the benefit was reduced or denied, 15 percent didn't understand the decision, and 13 percent got less than they expected. For the performance related reasons, 9 percent felt they were given the runaround, 6 percent said there was lost or missing information, 6 percent felt their case did not get a full investigation, 4 percent said the VA personnel were misinformed and 2 percent mentioned some other reason.

Unlike those whose cases are still pending, only 30 percent of the "case completed" group felt that the processing time was longer than they expected. Fully 58 percent said it was about what they thought! As would be expected, those who were not satisfied with the information they received have the general perception that it took longer than they expected to process their claim.

Veterans were asked about the disposition of their claims. Almost half (47 percent) said their claim was fully allowed while one-third (34 percent) said their claim was denied. In general, overall satisfaction is higher for those veterans whose claim was more fully allowed.

Of those whose claim was either fully or partially allowed, 95 percent are getting their checks on time and 93 percent are getting the correct amount.

Since receiving notification of the action on their claim about one-third (35 percent) have had additional contact with VA. Over half (53 percent) of these contacts have been in person with the rest almost equally split between phone and mail (25 percent and 28 percent respectively).

Only a handfull (4 percent) of those who contacted VA since they were notified of the action on their claim felt they were not treated courteously in their additional contacts. About one-fifth (19 percent) did not fully understand the information they were given in these additional contacts. This is almost the same proportion who did not understand the information they received at the time of the original claim disposition.

Two-fifths (41 percent) were not satisfied with the information they received in the followup contact -- almost the same as the response to the same question for the initial response. Those who were dissatisfied with the information they received after their initial contact with VA were most likely to be dissatisfied with any future contacts. The reasons for not being satisfied with any subsequent contacts are similar to those given after the initial response: 26 percent said their benefit was reduced or denied, 22 percent got less than they expected, 16 percent did not understand the information they were given, 12 percent claim records were lost, 8 percent got the runaround, 6 percent felt VA personnel were uninformed, 6 percent felt their case did not receive a full investigation, and 10 percent gave some other reason. [This continued dissatisfaction may be related to the fact that the appeal of the initial action taken by VA on the claim did not change the final result. The questionnaire did not collect this information.]

Overall, for completed as well as pending cases, 26 percent of the veterans had a veteran's service organization act as their agent in their claim. It is interesting to note the satisfaction level of those who were represented by a veteran service organization (VSO) is lower that those who were not represented by VSOs. On the initial contact 55 percent of the veterans represented by VSOs were satisfied with the information they received compared to 65 percent of those who were not represented by VSOs. For followup contacts the satisfaction ratings were 45 percent and 67 percent respectively.

Issues To Be Resolved:

There are two issues that seem to come out of this questionnaire. The first deals with quality of service. Throughout the results there are measures of the quality of the C&P operations. These include the length of time it takes to process a claim, understanding the information, getting checks on time, if the checks are for the correct amount, etc. It is not clear how many of these areas VBA controls. At some point more people will not shorten processing time and regardless of how careful we are there will always be some inadvertent mistake. The question that has to be answered is what level is tolerable given the real world of budget constraints.

The other issue deals with the perception of unsatisfactory service. As was pointed out, it seems that the most common reasons for not being satisfied relate to the fact that the claimant did not get the answer he/she wanted. This can be resolved in future questionnaires with a series of questions -- Yes/No or a 5 point scale -- asking about each dimension separately.

VETERANS BENEFITS ADMINISTRATION
CONSUMER SATISFACTION SURVEY

Insurance Services

Introduction:

The following report is based on the results of telephone interviews with 402 veterans who contacted VA with regard to their insurance during Fiscal Year 1989. The staff of the Philadelphia Regional Office and Insurance Center provided the list of veterans to be sampled as well as their telephone numbers. Interviewing took place in May 1990.

The questionnaire was developed by the contractor in consultation with representatives from Insurance Service. A variety of topics were covered in an effort to get a handle on the overall level of satisfaction of veterans with the services they received. While it was intended that the results of this study stand alone, it was also hoped that this study would be a pilot study for future efforts in this area.

Due to the sample size in this study, it is often impossible to do much analysis of the smaller sub-groups, particularly after a series of screen questions has reduced the base.

Results and Analysis:

The survey asked about four types of contact with VA: letter, phone, visits to a VA regional Office, and visits to a Veterans Benefits Counselor (VBC) at a medical center. Over the year prior to the interview, veterans who were interviewed as a result of their having taken some initiative with regard to their insurance policy used an average of slightly over one-and-one-half different means of contact. Almost nine-tenths (87 percent) called a VA office, about one-third (36 percent) wrote a letter to VA, only one-sixth (16 percent) visited a VA office, and one-eighth (12 percent) visited a VBC at a medical center. The questionnaire did not ask how many times they called, wrote, or came by personally.

As expected, the topic of at least one of the contacts during the period under consideration for every veteran was insurance. The second most common topic, mentioned by less than one-eighth (12 percent) of the veterans dealt with outpatient or clinic medical care. The next most common topics were filing a claim for a pension or service-connected disability (11 percent), inpatient hospital care (9 percent), home loan guarantees (3 percent), educational loans (2 percent), and vocational rehabilitation (1 percent).

The remainder of the questionnaire concentrates on the veterans' interactions with the Department of Veterans Affairs Insurance Center.

During the last year only about one-third (34 percent) of the respondents had written the Insurance center. The vast majority (69 percent) of those who did write the Center, wrote only once. The most common reason for the last letter was to get more information about their insurance policy (38 percent). From this point the reasons for the contact drop off very quickly. The second most common reason was to check or change a benefit or claim (13 percent), followed by a notification of death (13 percent), check on the status of the account (9 percent), to get more information (7 percent), questions about the method of payment (6 percent) and information on getting a loan (6 percent). There are also a host of other reasons with a small number of responses for each. [This long list could be collapsed since many of the items seem to be very similar. Such a step, however, should be done by someone who is familiar with the operation of the insurance center.]

Almost all (88 percent) expected a reply to their letter. A very high proportion (82 percent) actually did receive a reply. Only 10 percent of those who expected a response did not get one.

Almost one-fourth (23 percent) of the replies were received in one week or less. Another 29 percent were received two weeks after the veteran mailed his/her letter, and 22 percent took three to four weeks. The perception that replies came relatively fast is confirmed by the fact that 88 percent felt the response time was acceptable. The vast majority who felt response time was not acceptable (92 percent) felt three weeks would be reasonable. Using this three-week response time as a standard, almost three-fourths (73 percent) of those who felt the response time was reasonable received a response within three weeks while only one-fourth (25 percent) of those who felt the response time was not acceptable met the standard.

The letter itself was very favorably received. Most felt it was clear and understandable (96 percent), neat (99 percent), accurate (94 percent), and contained complete information or resolved the request (89 percent). Overall, satisfaction with the letter was high (86 percent). Reasons for not being satisfied were that the benefit was reduced or denied (27 percent), records were lost (20 percent), the response was not timely (20 percent), VA was misinformed (13 percent), the response was confusing (13 percent), they got the runaround (7 percent), and the situation was not resolved. In addition, 13 percent mentioned some other reason.

Over the last year 88 percent of the respondents contacted the Insurance Center by phone. Almost three-fifths (57 percent) of those who did phone only phoned once. [Not only did more people phone the Center, but they did so more often.] A very large proportion (86 percent) were aware of the toll-free phone number. As would be expected, most (91 percent) of those who phoned the Center in the last year said they knew about the toll-free number while only half (50 percent) of those who did not phone the Center knew about this service. Oddly enough, only 87 percent of those who said they knew about the toll-fee number used it for their LAST phone call.

Most people called because they wanted more information about their policy (42 percent). This was followed by wanting to check the status of account (15 percent), asked about the value or balance (11 percent), notification of death (11 percent), questions related to dividend check or interest (8 percent), a desire to change to policy (7 percent), and questions about the method of payment (6 percent). Here, too, there were a lot of other reasons mentioned only by a few each.

When calling, slightly over one-fourth (27 percent) got a busy signal. Of those who got a busy signal, 17 percent got through the next time they called, 21 percent had to make two additional attempts, and 23 percent had to make three additional attempts. A surprising 31 percent reported having to make at least four additional attempts.

Only 9 percent reported the phone rang continuously with no one answering. Slightly over one-third (35 percent) reported having the phone answered by a recording. Less than half (42 percent) reported waiting three minutes or less until a representative came on the line. Less than one-in-ten (7 percent) hung up before a representative got on the line. A very small number (4 percent) reported they were cut off during the call.

A very large number (86 percent) said they got the information they needed during the phone call. Most (86 percent) of those who were not taken care of during the phone call expected to get a followup of some sort; however, only 69 percent of these actually did receive a followup. About three-fourths (76 percent) of the followups came within two weeks. Four-fifths (79 percent) felt this was a reasonable response time. Here, again, those who felt the response took an unreasonably long time did wait longer. No one in this group got a response in under 14 days.

As with those who received responses by mail, those who gave information over the phone received generally high ratings. Almost everyone felt they were treated courteously (98 percent), the representative was knowledgeable (96 percent), the information was accurate (93 percent), the information was clear and understandable (95 percent), and the information was complete or the situation was resolved (92 percent). [This last number is higher than the number -- 86 percent -- who earlier reported that what they had called about was taken care of during that call.]

Overall, only 10 percent of those who called the Insurance Center were not satisfied with the VA response. When asked why, one-fourth (24 percent) said they did not get a response, the person they talked to was misinformed (15 percent), the benefit was denied or reduced (15 percent), the response was not timely (15 percent), they got the runaround (12 percent), the person was rude (9 percent), the information was confusing (6 percent), they made errors (3 percent), or some other unspecified reason (12 percent).

The last question in the survey asked everyone, regardless of how they contacted the Center, if they were satisfied with the service of the VA Insurance Center. A very high 94 percent said they were. The specific reasons for this feeling seem to center around the fast, competent service: took care of the problem (24 percent), had no problems (22 percent), got the information needed (18 percent), fast service (14 percent), polite friendly service (10 percent), helpful people (7 percent), good service (6 percent), and a few other reasons.

FINAL REPORT
Contract No. V101 (93) P-1209
Task Order No. 1
Consumer Satisfaction Survey
Submitted by: DAC International, Inc.

PURPOSE & METHODOLOGY

The purpose of this study was to assess customer satisfaction with the Veterans Benefits Administration (VBA) in a manner that would allow it to improve the quality and timeliness of its services to the public. The study measured customer service in six different areas of the VBA:

- o Veterans services
- o Vocational rehabilitation
- o Home loans
- o Education
- o Insurance services
- o Compensation and pension

Hollander, Cohen Associates, Inc. worked as a subcontractor for DAC International, Inc. under the direction of Dr. Stephen Plumer, the DAC Project Manager.

The Sampling Plan

The scope of work specified that the sample would be drawn from the entire population rather than from selected counties. The goal was to obtain four hundred responses from each of the six services. It was assumed that it would be necessary to have a sample pool of 1,200 names order to meet this target.

The sample was provided by offices of the VBA.

The details of the sampling plan are described in Circular 20-89-27 issued October 25, 1989 and amended on November 7, 1989. (See Attachment A)

From the sample lists that were provided, an attempt was made to contact every name on the Educational Benefits and Vocational Rehabilitation lists to complete an interview. On the Home Loan, Veterans Services, Insurance Services, and Compensation & Pension lists, an nth name formula was used to select names from the sample lists that would result in a representative regional sample.

There were concerns over the amount of time lapsed between the time that the sample was selected and final authorization of the project. In some cases, the respondent had difficulties remembering or based their assessment of service on a more recent contact that had been originally intended. Although this did not have a significant impact on the final results, the use of a more current sample as well as a more uniform approach to providing samples of names from VA offices throughout the country could enhance results of future surveys.

The small (6 percent) number who were not satisfied responded as would be expected: not timely (36 percent), representative uninformed or misinformed (23 percent), benefit or request was denied (18 percent), got no answer (18 percent), information was confusing (14 percent), lost records (9 percent), rude (5 percent), and VA made a mistake (5 percent).

Issues To Be Resolved:

There are two issues that seem to come out of this questionnaire. The first deals with quality of service. Throughout the results there are measures of the quality of the Insurance Center operations. These include if the veteran got a busy signal, how many times he had to call before he got through, how long he listened to the recording, how long he had to wait for a representative, etc. While it is clear offices cannot be staffed so that all calls are answered by the third ring, there is some level of acceptable waiting times. These are decisions which need to be addressed within budget constraints.

The other issue deals with the perception of unsatisfactory service. As was pointed out, it seems that the most common reasons for not being satisfied relate to the fact that the claimant did not get the answer he/she wanted. This can be resolved in future questionnaires with a series of questions -- Yes/No or a 5 point scale -- asking about each dimension separately.

The Survey Instruments

The survey instruments were designed through consultation with the six service areas of the VBA. This was done to learn about the types of information required for planning, operations and evaluation by each of them. The instruments were constructed to meet these information areas. An initial draft of interview questions was submitted for discussion. Based upon comments on the initial draft, the questionnaire was revised for final production. Subjects covered included:

- Method of contact with the VA
- Type of services required
- Evaluation of services received
  - timeliness of replies
  - courtesy of treatment
  - understanding of client needs by the VA
  - knowledge of personnel
  - follow-up on requests/procedures
  - clarity of information/forms provided by the VA.
  - waiting time
- Overall evaluation
- Familiarity with VA procedures
- Suggested improvements
- Demographics
  - geography
  - time service rendered

Copies of the instruments are attached as Attachment B.

Testing

Each of the six questionnaires was tested among a small sample of respondents to determine how it performed. Veterans Services, Home Loans, Education, and Insurance Services questionnaires were tested among approximately 15 respondents each. Interviewers were debriefed on the results of the test in a meeting at the offices of Hollander, Cohen Associates. Principals of the firm were present to discuss the findings of the test with the interviewers.

The test accomplished several objectives. First, it was used to uncover terminology that needed minor revision or required further explanation. Second, sequencing of questions was reviewed to ensure that points were being covered as intended. Third, instructions to the interviewers were clarified thus resulting in a survey that flowed smoothly with a more uniform interpretation of any exceptions that arose.

Printouts and Data Diskettes

Printouts with cross-tabulations of the information were provided for each of the six service segments. Banner points were provided for each question so that data could be reviewed on subgroups such as:

- o method of contact in past year
- o why contact made
- o when filed
- o programs where applicable
- o sample designation on Veterans Services

Flexibility was provided in offering additional cross-tabulations of data if needed.

Data diskettes were provided in ascii format.

Comments

These comments are based on debriefing of the interviewers as well as an analysis of each instrument and responses by the project staff.

o A more recent sample will provide better feedback on experiences at the VA. It was difficult for respondents to remember past experiences. Recency of contact was very suspect.

o The sample data that was pulled by VA offices did not appear consistent. The number of names provided did not appear to represent a proportional mix of what we expected for certain large cities such as New York. A more uniform approach is needed. Some cities were missed entirely.

o On the Veterans Services survey, walk-ins versus phone contact was different from sample designation because of subsequent contacts. Relates to recency of sample.

o The sample was listed on pages that were inconsistent. Some had phone numbers and others didn't. Loose pieces of paper with some handwritten and some typed were difficult to use.

o The sample included businesses, hospitals, and nursing homes that were not appropriate to call.

o In the Education survey, many people in the sample filed for educational benefits prior to January, 1988, which was the oldest date on the survey. Contact had been more recent, but questions that related to initial filing experience seemed too much in the past.

o On the C&P survey, some customers got a medical card, hearing aid etc. instead of a check. Questions related only to a check.

o In the Vocational Rehabilitation survey, questions were asked about completion of the program, but some respondents had not yet completed the program.

o The Home Loan survey sample often ended up with bank loan officers. The customers' bank contacts the VA for the customer in many instances.

o When respondents mentioned other areas of the VA that they contacted for service, we knew the number of areas contacted, but not the number of contacts in each area. Some areas obviously required more frequent contacts than others.

o Sometimes questions did not work when asked about satisfaction. Customers were dissatisfied when they were turned down for benefits or just had an unfavorable decision. This did not necessarily mean poor service, nor good service if their request was approved. We need to more clearly distinguish between policy decisions and service.

o On the Insurance questionnaire, questions 5a & b and 14a & b should be open-ended. Interviewers couldn't place the response in the choices given because of ambiguity.

o Respondents were unsure how to refer to the person with whom they spoke at the VA-counselor, case worker, clerk, etc.

o A form of demographics could be very useful in this survey. (age, length of service, et. al.)

o Ratings questions may elicit a clearer response than pure yes and no answers on service related questions. Answers like extremely satisfied, very satisfied, satisfied, etc. might be an improvement.

Recommendations for the Future

The intent of VBA is to continue to obtain consumer satisfaction information as a tool for service improvement. The survey itself could be strengthened by having veteran participation in the design of the survey instrument. This would identify factors about services which are important to the veterans themselves. This could be done inexpensively, through a telephone survey to a small number of veterans for each of the six services. In this way, the survey question would cover the interests and concerns of both the service providers and the service recipients.

The planning for future efforts would be enhanced through an examination of information requirements which management would like to have generated from such a survey. This information could relate to such areas as: policy development; and program design, evaluation and redesign.

Management may be interested in comparative studies. For example, are there any regional differences in how veterans enter the service system? Are the VA hospitals are the major point of contact for persons in rural areas? What are the implications of how veterans use services for priority setting?

The inclusion of management issues in the formulation of the survey would provide a low cost additional benefit to be derived from the consumer satisfaction survey.

There appears to be an interest on the part of certain stations to obtain consumer satisfaction information about their services. If these initiatives are to be encouraged, they should be integrated into the design and operation of the national effort.

This could be done in several ways. Those stations interested in conducting such activities using their own staff capacity should be involved in the survey instrument design process for the national effort. This will allow for the collection of comparable information in a format which will allow for comparative analysis. ("How do we compare to national trends?")

Those stations which are interested in such information but do not have the capacity to conduct such an inquiry on their own could become part of a national sampling plan. Such a plan would allow for the targeting of selected sites each year in addition to the national sample. The number of sites to be included each year would be determined by budgetary and policy considerations.

In this way the national survey could gather site specific information in a cost effective manner.

Dispostion of Calls

	Total		Home Loan		Veterans Services		Educational Benefits		Vocational Rehab		VA Ins.		Comp. & Pension	
Not Contacted	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Phone Disconected	613	26.2	54	20.4	167	25.5	90	25.7	133	47.3	57	16.8	112	28.7
No Answer	1,090	46.5	144	54.5	373	56.9	148	42.3	62	22	212	62.5	151	38.7
Wrong Number	639	27.3	67	25.3	115	17.6	112	32	148	52.7	70	20.5	127	32.6
	2,342	35.4	265	31.1	655	42.4	350	40.4	343	36.8	339	26.4	390	34.3
Contacted & Ineligible														
Didn't contact VA	644	9.7	31	3.7	95	6.1	14	1.6	134	14.3	211	16.4	159	14
Contacted & Eligible														
Respondent Not Available	998	27.5	129	23.2	290	36.4	116	23	134	29.4	187	25.4	142	34.6
Refused	373	10.3	25	4.5	97	12.2	24	4.8	34	7.5	146	19.9	47	8
Interviewed	2,264	62.3	401	72.3	410	51.4	363	72.2	288	63.1	402	54.7	400	67.9
	3635	54.9	555	65.2	797	51.5	503	58	456	48.9	735	57.2	589	51.7
Total	6,621		851		1,547		867		933		1,285		1,138	

MASTER QUESTIONNAIRE

Hollander, Cohen Associates 2500 Maryland Ave. Balto.MD 21218 301-467-8565 May 1990 #5505-VS

[] PHONE 50%

[] WALK-IN 50%

VETERANS' SERVICES

CITY_____

Good morning/afternoon/evening. I'm ..... of D.A.C. International. We have been hired by the Dept. of Veterans' Affairs to conduct a short survey about people's experiences dealing with the VA. May I speak with.....? Your replies are completely confidential and will be used for research purposes only.

TIME BEGUN:_____

1. In the past year or so have you

			YES	NO
		10		
38%	Written a letter to the VA?		-1	[]
72%	Called a VA office?		-2	[]
65%	Visited a VA office?		-3	[]
26%	Visited a VA hospital office?		-4	[]

IF NO TO ALL, TERMINATE

2. Did your contact(s) in the past year or so deal with any of the following:

	20		
28%	Educational benefits?	-1	[]
16%	Home loan guarantee?	-2	[]
40%	Outpatient or clinic care?	-3	[]
22%	Hospital care?	-4	[]
43%	Filing a claim for a pension or for a service connected disability?	-5	[]
10%	Vocational rehabilitation?	-6	[]
12%	VA Insurance?	-7	[]

IF ALL NO:
What was the contact about?_____
21

6% OTHER

3. When was the last time you contacted a VA office either in person or by phone? If you could give me the month and year that would be helpful.
30

JAN FEB MAR APR MAY JUN [] 1988 [] 1990

JUL AUG SEP OCT NOV DEC [] 1989

4. Was that by phone or in person?
40 45% 55%
-1 PHONE -2 IN-PERSON—>SKIP TO QUESTION 9

5a. On your most recent call, did you get a busy signal?
50
32% -1 YES—>b. How many times?_____ ONCE 18% 10-14 7%
THREE 21% 15+ 8%
2-4 11% DK 10%
5-9 25%
68% -2 NO DK=1%
51

6a. Was the phone answered by a recording asking to you hold or by a counselor?
60 46%
-1 RECORDING—> b. How long did you wait for a counselor? 1 MIN 24% 5 MIN 24%
2 " 14% 6 " 1%
3 " 13% 7 " 1%
4 " 8% 10 " 8%
_____MINUTES—>c. Did you get through to a counselor or did you hang up? 15 " 4%
20 " 2%
54% 90% 10% DK 2%
-2 COUNSELOR—>[SKIP TO QUESTION 8] -1 GOT A COUNSELOR -2 HUNG UP
61
62 [SKIP TO Q.8]

7. How many times including the final one did it take to get through to a counselor?
70 (8) 2 TIMES 13% 4 TIMES 13%
3 " 13% 11 " 13%
4 " 13% 17 " 13%
5+ 25%
_____TIMES

8a. From the time you first dialed (on the final try) till you talked with a counselor, how long did it take?
80 < 1 MIN 4% 6-10 9%
1 MIN 24% 11-15 3%
2 " 12% 16-25 3%
3 " 16% 25+ 3%
4 " 19% DK 5%
_____MINUTES

b. Was that acceptable or was it too long?
81
66% -1 ACCEPTABLE—>[SKIP TO QUESTION 11]

14% -2 TOO LONG—> c. What would be an acceptable time?_____MINUTES [SKIP TO Q. 11]
82 < 1 MIN 8% 15 4%
(25) 1 MIN 16% 30 4%
2 " 12%
3 " 16%
4 " 4%
5+ 22%
10+ 4%

9. How many people did you talk to before you spoke with a counselor?
90 NONE 8% 5 1%
1 65% 6 -
2 15% 10 1%
3 6% DK 2%
4 1%
_____PEOPLE

10a. From the time you first walked into the office till you saw a counselor, about how long did it take?
100 < 5 MIN 7% 30-29 10% DK 12%
5-9 13% 30-39 19%
10-14 21% 40-59 9%
15-19 14% 60+ 13%
_____MINUTES

b. Was that acceptable or was it too long?
101 85% 15%
-1 ACCEPTABLE -2 TOO LONG—> c. What would be an acceptable time?_____MINUTES
102 (34) 1 MIN 3% 10 1% 20 7% 60 MIN 18%
2 3% 11 3% 30 21%
3 3% 12 3% 45 9%
5 13% 15 18%

MASTER QUESTIONNAIRE

Hollander, Cohen Associates 2500 Maryland Ave. Balto.MD 21218 301-467-8565 May 1990 #5505-HL

HOME LOAN

Good morning/afternoon/evening. I'm.....of D.A.C. International. We have been hired by the Dept. of Veterans' Affairs to conduct a short survey about people's experiences dealing with the VA. May I speak with.....? Your replies are completely confidential and will be used for research purposes only.

TIME BEGUN:_____

1. In the past year or so have you

		YES	NO	
	10			
11%	Written a letter to the VA?	-1	[]	
22%	Called a VA office?	-2	[]	
11%	Visited a VA office?	-3	[]	
1%	Visited a VA hospital office?	-4	[]	
100%	Applied for or received a VA home loan?	-5	[]	<---[IF NO, SKIP TO BOTTOM OF PAGE]

[IF ONLY YES, SKIP TO Q.3]

2. Did your contact(s) in the past year or so deal with any of the following:

20			
5%	Educational benefits?	-1	[]
100%	*Home loan guarantee?	-2	[]
6%	Outpatient or clinic care?	-3	[]
3%	Hospital care?	-4	[]
5%	Filing a claim for a pension or for a service connected disability?	-5	[]
1%	Vocational rehabilitation?	-6	[]
1%	VA Insurance?	-7	[]

IF ALL NO:
What was the contact about?_____
21

IF RESPONDENT DOES NOT MENTION PROGRAM SHOWN ON YOUR LIST (*) ASK:

My information shows that you (also) contacted the VA about home loan benefits (-2) in the past year or so. Is that right? IF RESPONDENT DID NOT CONTACT VA FOR THE SERVICE INDICATED, TERMINATE.

3a. Did you apply to a VA office for a Certificate of Eligibility for home loan guarantee benefits?
30
17% -2 NO-->[SKIP TO QUESTION 4]

82% -1 YES--> b. How long ago did you apply?
22% 78% DK = 1%
31 -1 WITHIN THE PAST YEAR -2 MORE THAN ONE YEAR AGO-->[SKIP TO QUESTION 4]

c. Were you satisfied with the service you received?
90% 6% DK= 4%
32 -1 YES -2 NO

4a. Have you received a VA home loan in the past year or so?
40 99% 1%
-1 YES -2 DENIED

b. Did you contact the VA directly about the home loan?
41 33% 67%
-1 YES -2 NO-->[SKIP TO QUESTION 9]

5. Was that by phone, mail or in person?
50 51% 31% 47%
-1 PHONE -2 MAIL -3 IN PERSON

6. Were you treated courteously?
60 95% 5%
-1 YES -2 NO

7. Did you understand completely the information the VA gave you?
70 94% 6%
-1 YES -2 NO

8a. Were you satisfied with the information you received?
80 92% 8%
-1 YES -2 NO-->b. Why not? _____

81 _____

_____

_____

9. How about your dealings with the bank or institution that had your loan application. Were you treated courteously there?
90 97% 3%
-1 YES -2 NO

10. Did you understand completely the information they gave you about the VA loan?
100 96% 4%
-1 YES -2 NO

11. Was your claim fully allowed, partially allowed or denied?
110 47% 16% 34% DK = 2%
-1 FULLY ALLOWED -2 PARTIALLY ALLOWED -3 DENIED—>SKIP TO QUESTION 14

12. (Have you been getting your checks/Did you get your check) on time?
120 95% 4% DK = 2%
-1 YES -2 NO

13. (Have you been getting/Did you get) the correct amount?
130 93% 4% DK = 3%
-1 YES -2 NO

14. Have you had any additional contacts with the VA since receiving (your award/the denial notification?)
140 36% 65%
-1 YES -2 NO—>SKIP TO QUESTION 19

15. Have these contacts (usually) been by phone, mail or in person?
150 25% 28% 53% DK = 1%
-1 PHONE -2 MAIL -3 IN PERSON

16. Were you treated courteously?
160 92% 4% DK = 3%
-1 YES -2 NO

17. Did you understand completely the information the VA gave you about your (award/denial?)
170 80% 19% DK = 2%
-1 YES -2 NO

18. Were you satisfied with the information you received?
180 58% 41% DK = 1%
-1 YES -2 NO—>Why not? (D)

DENIED BENEFIT	26%	VA PEOPLE UNINFORMED	6%
GOT LESS TH. EXP	22%	NOT FULL INVESTIGATION	6%
DIDN'T UNDERSTAND	16%	OTHER	10%
LOST RECORDS	12%	D.K.	4%
GOT RUNAROUND	8%		

181

19. Did you have a veteran's service organization other than the VA act as your agent for this claim?
190 28% 71% DK = 2%
-1 YES -2 NO

200 - 270

That's all the questions I have. Thank you for your help.

GEOGRAPHIC LOCATION_____ _____
280

RECORD NAME, ETC. AT BOTTOM OF NEXT PAGE

YELLOW SHEET

20. Is the amount of time it's taking to process your claim longer than what you thought it should be, or isn't that true yet?
200 62% 37% D.K. = 2% (52)
-1 LONGER -2 NOT LONGER

21. Have you contacted the VA to ask about your claim since you filed it?
210 31% 67% D.K. = 2% (52)
-1 YES -2 NO—>SKIP TO QUESTION 27

22. How many times did you contact them?
220 6% 21% 25% 13% 19% D.K. = 6% (16)
-1 -2 -3 -4 -5 or more times

23. And was this (usually) by phone, mail or in person?
230 58% 13% 29% (16)
-1 PHONE -2 MAIL -3 IN PERSON

24. Were you treated courteously?
240 94% 6% (16)
-1 YES -2 NO

25. Did you understand completely the information the VA gave you?
250 86% 13% (16)
-1 YES -2 NO

26a. Were you satisfied with the information you received?
260 62% 36% (14)
-1 YES -2 NO—>b. Why not? DENIED BENEFIT 22%
LOST PAPERWORK 17%
261 (6)→ OTHER 22%
DON'T KNOW 22%

27. Is a veteran's service organization other than the VA acting as your agent for this claim?
270 15% 81% D.K. = 4% (52)
-1 YES -2 NO

That's all the questions I have. Thanks for your help.

GEOGRAPHIC LOCATION_____
280

RESPONDENT NAME_____

PHONE NUMBER_____

TIME ENDED:_____

INTERVIEWER_____

DATE_____

VERIFIED BY_____

DATE_____

MASTER QUESTIONNAIRE

Hollander, Cohen Associates 2500 Maryland Ave. Balto MD 21218 301-467-8565 May 1990 #5505 C&P

C&P

Good morning/afternoon/evening. I'm....of D.A.C. International. We have been hired by the Dept. of Veterans' Affairs to conduct a short survey about people's experienes dealing with the VA. May I speak with....? Your replies are completely confidential and will be used for research purposes only.

TIME BEGUN:_____

1. In the past year or so have you

		YES	NO
	10		
47%	Written a letter to the VA?	-1	[]
58%	Called a VA office?	-2	[]
55%	Visited a VA office?	-3	[]
45%	Visited a VA hospital office?	-4	[]

IF NO TO ALL SKIP TO BOTTOM OF PAGE

2. Did your contact(s) in the past year or so deal with any of the following:

	20		
13%	Educational benefits?	-1	[]
3%	Home loan guarantee?	-2	[]
44%	Outpatient or clinic care?	-3	[]
28%	Hospital care?	-4	[]
100%	*Filing a claim for a pension or for a service connected disability?	-5	[]
10%	Vocational rehabilitation?	-6	[]
6%	VA Insurance?	-7	[]

IF ALL NO:
What was the contact about?_____
21

IF RESPONDENT DOES NOT MENTION PROGRAM SHOWN ON YOUR LIST (*) ASK:

My information shows that you (also) contacted the VA about a pension or compensation claim (-5) in the past year or so. Is that right? IF RESPONDENT DID NOT CONTACT VA FOR THE SERVICE INDICATED, TERMINATE.

3. When did you file your claim for compensation or pension? If you could give me the month and year that would be helpful.
30
JAN FEB MAR APR MAY JUN [] 1988 [] 1990
JUL AUG SEP OCT NOV DEC [] 1989 OTHER_____

4. Have you received information about that claim?
40 87% 13%
-1 YES -2 NO—> SKIP TO YELLOW SHEET, QUESTION 20

5. When did you receive the information?
50
JAN FEB MAR APR MAY JUN [] 1988 [] 1990
JUL AUG SEP OCT NOV DEC [] 1989
51

SAME MO.	7%
1 MONTH	18%
2 MONTHS	14%
3 "	9%
4 "	5%
5 "	2%
6 "	2%
7-12	7%
12+	3%
DK	31%

6a. Did you contact the VA between the time you filed your claim and when you received the information?
60 36% 64%
-1 YES -2 NO—>SKIP TO QUESTION 10

b. How many times did you contact them?
61 24% 26% 18% 7% 20% DK = 6%
-1 -2 -3 -4 -5 or more times

c. And was this (usually) by phone, mail or in person?
62 45% 17% 46%
-1 PHONE -2 MAIL -3 IN PERSON

7. Were you treated courteously?
70 89% 8% DK = 2%
-1 YES -2 NO

8. Did you understand completely the information the VA gave you about your claim?
80 80% 20%
-1 YES -2 NO

9. Were you satisfied with the information you received?
90 62% 38%
-1 YES -2 NO—>Why not?

DENIED BEN	57%	NOT FULL AMOUNT	6%
CONTINUED DEP.	15%	VA PROMISE MISUNDERSTOOD	4%
NOT ENOUGH $	13%	OTHER	2%
DISAGREED	9%		
LOST RECORDS, ETC	6%		

91

10. Was the amount of time it took to process your claim longer, shorter or about what you thought it would take?
100 30% 10% 58%
-1 LONGER -2 SHORTER -3 ABOUT WHAT YOU THOUGHT

11. Did you receive educational benefits?
110 99% 1%
-1 RECEIVED -2 NOT RECEIVED—>SKIP TO QUESTION 14

12. Have you been getting your checks on time?
120 82% 10% 7%
-1 YES -2 MOST OF THE TIME -3 NO

13. Have you been getting the correct amount?
130 94% 5% DK = 1%
-1 YES -2 NO

14. Have you had any additional contacts with the VA since receiving (your benefits/notification benefits had not been allowed?)
140 38% 62%
-1 YES -2 NO—>SKIP TO QUESTION 19

15. Have these contacts usually been by phone, mail or in person?
150 52% 20% 29%
-1 PHONE -2 MAIL -3 IN PERSON

16. Were you treated courteously?
160 93% 7%
-1 YES -2 NO

17. Did you understand completely the information the VA gave you?
170 86% 14%
-1 YES -2 NO

18a. Were you satisfied with the information you received?
180 79% 21%
-1 YES -2 NO—> b. Why not?

181 (24)

VA PEOPLE UNINFORMED	34%	CHECKS NOT COMP. SYSTEM	7%
CHECKS NOT ON TIME	28%		7%
VA CLAIMS TOO SLOW	24%		
TOOLM/REQU. DENIED	24%		
LOST RECORDS	14%		

19. Did you have a veteran's service organization other than the VA act as your agent in your request for educational benefits?
190 9% 91%
-1 YES -2 NO

200 - 270

That's all the questions I have. Thank you for your cooperation.

GEOGRAPHIC LOCATION_____
280

RECORD PROGRAM NO. FROM SAMPLE LIST:_____
290

RECORD NAME, ETC, AT BOTTOM OF NEXT PAGE

YELLOW SHEET

20. Is the amount of time it's taking to process your award longer than what you thought it should be, or isn't that true yet?
200 50% 50%
-1 LONGER -2 NOT LONGER (4)

21. Have you contacted the VA to ask about your educational benefits since you filed?
210 50% 50% (4)
-1 YES -2 NO-->SKIP TO QUESTION 27

22. How many times did you contact them?
220 50% 50%
-1 -2 -3 -4 -5 or more times (2)

23. And was this (usually) by phone, mail or in person?
230 100%
-1 MAIL -2 PHONE -3 IN PERSON (2)

24. Were you treated courteously?
240 100%
-1 YES -2 NO (2)

25. Did you understand completely the information the VA gave you?
250 100%
-1 YES -2 NO (2)

26a. Were you satisfied with the information you received?
260 100% (2)
-1 YES -2 NO--> b. Why not?_____

261 _____

_____

27. Is a veteran's service organization other than the VA acting as your agent in your request for education benefits?
270 25% 75% (4)
-1 YES -2 NO

That's all the questions I have. Thank you for your cooperation.

GEOGRAPHIC LOCATION_____
280

RECORD PROGRAM NO. FROM SAMPLE LIST:_____
290

TIME ENDED:_____

NAME_____

INTERVIEWER_____

PHONE NUMBER_____

DATE_____

VERIFIED BY_____

DATE_____

Interviewer Training and Training Materials

A training manual was produced and reviewed with the interviewers. The manual noted the objectives of the study, an explanation of confidentiality and ethics, procedures to identify the proper respondent, generic instructions about the questionnaire, and specific instructions such as skip patterns, unacceptable answers, need to probe, how to probe, how to record phone attempts, when to interview and callback procedures. A training session for the interviewers was held at the interviewing site. Interviewers completed practice interviews to familiarize themselves with the questionnaire and procedures. The first interview of each interviewer was reviewed to check on the quality of the interviewing and to correct any inaccuracies or misunderstandings.

See Attachment C for a copy of the Training Manual.

The Field Work

All field work was managed by Hollander, Cohen Associates which used a team of experienced interviewers to complete the surveys. Interviewing was done between the hours of 5:30p.m. to 9:30p.m., Monday through Friday, 10:00a.m. to 9:00p.m. on Saturday, and 1:00p.m. to 9:00p.m. on Sundays. The interviews were conducted from May 11 through May 30, 1990.

For each "no answer", three callbacks were attempted to reach the respondent.

A disposition of calls for all six service area segments, as well as the total results is attached. (See Attachment D) Almost 55% of the eligible telephone numbers were reached. Of this group 62.3% were interviewed, 10% refused to be interviewed and 27% were not available.

Thirty-five percent of the 6,621 listed telephone numbers were not contacted because; the phone was disconnected (26%); there was no answer (47%); the phone number was incorrect (27%). Almost 10% of the pool were not eligible for an interview since they reported that they had not contacted the VA during the specified period.

Editing, Data Entry and Computer Processing

All completed questionnaires were edited for thoroughness and accuracy. Unclear surveys were reviewed with interviewers and clarified. Respondents were called back if answers could not be resolved with the interviewer.

The surveys were coded for ease in data entry. Categories were created for open-ended questions and coded.

The surveys were entered on to computer diskettes for processing and programs were run to verify the accuracy of the data input. Any errors were researched and corrected.

Attachment E contains verbatim responses for several questions regarding Home Loan. These could not be coded.

HAND QUESTIONNAIRE

Hollander, Cohen Associates 2500 Maryland Ave. Balto. MD 21218 301-467-8565 May 1990 #5505-ED

EDUCATION

Good morning/afternoon/evening. I'm.....of D.A.C. International. We have been hired by the Dept. of Veterans' Affairs to conduct a short survey about people's experiences dealing with the VA. May I speak with.....? Your replies are completely confidential and will be used for research purposes only.

TIEM BEGUN:_____

1. In the past year or so have you

		YES	NO
	10		
27%	Written a letter to the VA?	-1	[]
57%	Called a VA office?	-2	[]
46%	Visited a VA office?	-3	[]
9%	Visited a VA hospital office?	-4	[]
NONE > 15%			IF NO TO ALL, SKIP TO BOTTOM OF PAGE

2. Did your contact(s) in the past year or so deal with any of the following:

	20		
100%	*Educational benefits?	-1	[]
2%	Home loan guarantee?	-2	[]
6%	Outpatient or clinic care?	-3	[]
3%	Hospital care?	-4	[]
4%	Filing a claim for a pension or for a service connected disability?	-5	[]
1%	Vocational rehabilitation?	-6	[]
5%	VA Insurance?	-7	[]

IF ALL NO:
What was the contact about?_____
21

IF RESPONDENT DOES NOT MENTION PROGRAM SHOWN ON YOUR LIST (*) ASK:

My information shows that you (also) contacted the VA about education benefits (-1) in the past year or so. Is that right? IF RESPONDENT DID NOT CONTACT VA FOR THE SERVICE INDICATED, TERMINATE.

3. When did you file for educational benefits (besides when you enlisted)? If you could give me the month and year that would be helpful.
30
JAN FEB MAR APR MAY JUN [] 1988 [] 1990
JUL AUG SEP OCT NOV DEC [] 1989

SAME MO 13%
1 MONTH 41%
2 MONTHS 24%
3 " 11%
4 " 3%
5-9 " 4%
10 + 2%
D.K. 6%

4. Have you received notification about the benefits?
40 99% 1%
-1 YES -2 NO—> SKIP TO YELLOW SHEET, QUESTION 20

5. When did you receive notification?
50
JAN FEB MAR APR MAY JUN [] 1988 [] 1990
JUL AUG SEP OCT NOV DEC [] 1989
51

6a. Did you contact the VA between the time you filed your claim and when you received notification?
60 34% 66%
-1 YES -2 NO—>SKIP TO QUESTION 10

b. How many times did you contact them?
61 31% 32% 21% 2% 15%
-1 -2 -3 -4 -5 or more times

c. And was this (usually) by phone, mail or in person?
62 9% 68% 23%
-1 MAIL -2 PHONE -3 IN PERSON

7. Were you treated courteously?
70 96% 4%
-1 YES -2 NO

8. Did you understand completely the information the VA gave you about your benefits?
80 90% 10%
-1 YES -2 NO

9a. Were you satisfied with the information you received?
90 86% 14%
-1 YES -2 NO—> b. Why not? (1)
91

VA PEOPLE UNINFORMED 29% GOT LOST IN SHUFFLE 12%
LOST RECORDS 24% OTHER 6%
TOOK TOO LONG 24%
CHECKS NOT ON TIME 18%
CHECK NOT RECEIVED 12%

10. Was the amount of time it took to process your claim longer, shorter, or about what you thought it would take?
100 26% 11% 60% D.K. = 1%
-1 LONGER -2 SHORTER -3 ABOUT WHAT YOU THOUGHT

18a. Was the phone answered by a recording asking you to hold, or by a representative?
180
58%-2 REPRESENTATIVE—>[SKIP TO QUESTION 20]

25%
7% D.K -1 RECORDING——> b. How long did you wait for a representative?

181 < 1 MIN 7%
1 MIN 14%
182 2 " 21%
3 " 19%
4-5 23%
10 6%
15+ 4%
DK 8%
_____ MINUTES—> c. Did you get through to a representative or did you hang up?
93%
-1 GOT REP. [SKIP TO Q.20]
7%
-2 HUNG UP

19. How many tries including the final one did it take to get through to an insurance representative?
190 _____TIMES (7)
THREE 57%
2 TIMES 14%
6 " 14%
15 " 14%

20. Were you cut off at any time during your call?
200 4% -1 YES
96% -2 NO

21. Was what you had called about taken care of by the representative during the call you made?
210 86% -1 YES [SKIP TO Q.26]
14% -2 NO

22. Were you told they would get back to you?
220 86% -1 YES
12% -2 NO
DK = 2% (49)

23. Did they get back to you?
230 59% -1 YES
39% -2 NO [SKIP TO Q.26]
DK = 2% (49)

24. How long did it take to get a response to your (inquiry/request?)
240
_____HOURS _____DAYS ____WEEKS

< 5 DAYS 24%
5-9 20%
10-14 24%
LONGER 24%
(24)

25a. Was that response time acceptable or not?
250 79% -1 YES
17% -2 NO—>b. What would have been acceptable? _____
DK = 3% (24)
251

< ONE DAY 20%
14 DAYS 40%
42 DAYS 20%
D.K 20%
(5)

	YES	NO
26a. Were you treated courteously? 260	98% -1	[]
b. Was the representative knowledgeable?	96% -2	[]
c. Was the information given to you accurate?	93% -3	[]
d. Was it clear and understandable?	95% -4	[]
e. Was the information complete or your request resolved?	92% -5	[]

27a. Overall were you satisfied with the VA response or not?
270 90% -1 YES
10% -2 NO—>b.Why not? 271

NO RESULTS	24%	RUDE	9%
MIS INFORMED	15%	CONFUSING	6%
NEW DEADLINE	15%	DELAYS	3%
NOT TIMELY	15%	OTHER	12%
RUNAROUND	12%		

28a. In general, have you been satisfied with the service of the VA Insurance Center over the past year or so?

280 94% 5%
-1 YES -2 NO

b. Why is that?

281

TOOK CARE OF PROB	24%	HELPFUL	7%	OTHER	3%
NO PROBLEMS/COMPL.	22%	GOOD RESULTS	6%	DK	8%
GOT INTO ARRANG	18%	ON TIME	3%		
FAST SERVICE	14%	KNOWLEDGEABLE	3%		
POLITE/FRIENDLY	10%	ACCURATE	3%		

282

That's all the questions I have. Thank you very much for your help.

RESPONDENT NAME_____

PHONE NUMBER_____

TIME ENDED:_____

INTERVIEWER_____

DATE_____

VERIFIED BY_____

DATE_____

MASTER QUESTIONNAIRE

Hollander, Cohen Associates 2500 Maryland Ave. Balto. MD 21218 301-467-8565 May 1990 #5505 IS

INSURANCE SERVICES

Good morning/afternoon/evening. I'm.....of D.A.C. International. We have been hired by the Depart. of Veterans' Affairs to conduct a short survey about people's experiences dealing with the VA. May I speak with.....? Your replies are completely confidential and will be used for research purposes only.

TIME BEGUN:_____

1. In the past year or so have you

		YES	NO
	10		
36%	Written a letter to the VA?	-1	[]
67%	Called a VA office?	-2	[]
16%	Visited a VA office?	-3	[]
12%	Visited a VA hospital office?	-4	[]

IF NO TO ALL, SKIP TO BOTTOM OF PAGE

2. Did your contact(s) in the past year or so deal with any of the following:

	20		
2%	Educational benefits?	-1	[]
3%	Home loan guarantee?	-2	[]
12%	Outpatient or clinic care?	-3	[]
9%	Hospital care?	-4	[]
11%	Filing a claim for a pension or for a service connected disability?	-5	[]
1%	Vocational rehabilitation?	-6	[]
100%	*VA Insurance?	-7	[]

IF ALL NO:
What was the contact about?_____
21

IF RESPONDENT DOES NOT MENTION PROGRAM SHOWN ON YOUR LIST (*) ASK:

My information shows that you (also) contacted the VA about VA Insurance benefits (-7) in the past year or so. Is that right? IF RESPONDENT DID NOT CONTACT VA FOR THE SERVICE INDICATED, TERMINATE.

3. How often (if at all) have you written to the VA Insurance Center during the past year or so?_____[SKIP TO Q.11 IF 0]
30

0	66%
1	22%
2	8%
3+	3%

4. When was the last time you wrote to the VA Insurance Center? If you could tell me the month and year that would be helpful?
40

JAN FEB MAR APR MAY JUN [] 1988 [] 1990

JUL AUG SEP OCT NOV DEC [] 1989

5a. What was the reason for contacting them at that time?
50

28% 01 WANTED MORE INFORMATION ABOUT MY INSURANCE POLICY — b. What information did you want? [RECORD BELOW]

9% 02 WANTED TO CHECK ON THE STATUS OF MY ACCOUNT — b. What information did you want? [RECORD BELOW]

1% 03 DID NOT UNDERSTAND LETTER OR FORM RECEIVED — b. What was it about? [RECORD BELOW]

3% 04 DISAGREED WITH LETTER OR FORM RECEIVED — b. What was it about? [RECORD BELOW]

— 05 DID NOT RECEIVE A RESPONSE TO PRIOR REQUEST — b. What was the request? [RECORD BELOW] c. How long before had you made that request? [RECORD BELOW in 5c]

2% 06 DID NOT GET A CHECK I EXPECTED TO RECEIVE — b. What was the reason for the check? [RECORD BELOW]

1% 07 WANTED AN APPLICATION FORM — b. What was the application for? [RECORD BELOW]

1% 08 TO FILE AN APPLICATION — b. What was the application for? [RECORD BELOW]

41% [] OTHER [SPECIFY BELOW]

5b. RECORD REPLIES BELOW

51	CHNGE/CHANGE BENEFICIARY	12%		
52	NOTIFICATION OF DEATH	12%	FIX ERROR/DISAGREEMENT	5%
53	GET MORE INFO	9%	CHECK DIV./INTEREST	4%
54	CHANGE ADDRESS	7%	CASH IN	4%
55	METHOD OF PAYMENT	6%	PAYMENT SCHEDULE	3%
56	GET LOAN	6%	WAIVER PAYMENT	2%
57	BE MAD CHNG./ DELAY	6%	DIDN'T GET CHECK	2%
58	ADD/CHANGE POLICY	5%	" " STATEMENT ETC	2%
			LOST PAYMENT NOTICE	1%
			GET POLICY #	1%
			OTHER	9%
			REFUSE	3%

[IF A FOLLOW-UP TO PRIOR COMMUNICATION]
5c. How long before had you made that request? _____
59

6a. Did you expect to receive a reply to your letter?
60 88% 12%
-1 YES -2 NO

b. Did you receive one?
61 82% 18%
-1 YES -2 NO [SKIP TO Q.11]

7. From the time you mailed your letter, how long did it take to receive a reply?
70
_____DAYS _____WEEKS

WEEK OR LESS 22%
2 WEEKS 29%
3-4 WEEKS 22%
5 WEEKS+ 15%
DK 10%

8a. Was the response time acceptable to you or not?
80 86% 1 (9% DK=) 1%
-1 YES -2 NO b. What would have been acceptable?_____
81
(a) WEEK OR LESS 35%
2 WEEKS 25%
3 " + 40%
DK 5%

	YES	NO
9 a. Was the response clear and understandable?	90 89% -1	[]
b. Was the response neat?	99% -2	[]
c. Was it accurate?	94% -3	[]
d. Was the information you received complete or what you requested resolved?	89% -4	[]

10a. Overall were you satisfied with the VA response or not?
100 86% 13% (15)
-1 SATISFIED -2 NOT SATISFIED b. Why not? REQUEST DENIED 27% REWARDING 7%
LOST RECORDS 20% NO RESULTS 7%
NOT TIMELY 20% OTHER 13%
MISINFORMED 13%
CONFUSING 13%
101

11. How often(if at all) during the past year or so have you (also) contacted the VA Insurance Center by telephone?
110 0 13% 3-4 13%
1 51% 5+ 5%
2 20%

12. Are you aware that the Veterans Administration Insurance Service has a toll-free telephone number?
120 86% 13%
-1 YES -2 NO DK 1%

[SKIP TO Q.28 IF NO PHONE CONTACT]

13a. When was the last time you called the VA Insurance Center?

If you could tell me the month and year that would be helpful?
130
JAN FEB MAR APR MAY JUN [] 1988 [] 1990

JUL AUG SEP OCT NOV DEC [] 1989

14a. What was the reason for contacting them at that time?

140

42% 01 WANTED MORE INFORMATION ABOUT MY INSURANCE POLICY — b. What information did you want? [RECORD BELOW]

15% 02 WANTED TO CHECK ON THE STATUS OF MY ACCOUNT — b. What information did you want? [RECORD BELOW]

— 03 DID NOT UNDERSTAND LETTER OR FORM RECEIVED — b. What was it about? [RECORD BELOW]

1% 04 DISAGREED WITH LETTER OR FORM RECEIVED — b. What was it about? [RECORD BELOW]

1% 05 DID NOT RECEIVE A RESPONSE TO PRIOR REQUEST — b. What was the request? [RECORD BELOW] c. How long before had you made that request? [RECORD BELOW IN 14c]

2% 06 DID NOT GET A CHECK I EXPECTED TO RECEIVE — b. What was the reason for the check? [RECORD BELOW]

2% 07 WANTED AN APPLICATION FORM — b. What was the application for? [RECORD BELOW]

1% 08 TO FILE AN APPLICATION — b. What was the application for? [RECORD BELOW]

35% [] OTHER [SPECIFY BELOW]

14b. RECORD REPLIES BELOW

141	ASK POLICY VALUE/CHANGE	1%	AS HAD BENEFIT/BEARLIER	5%
142	NOTIFICATION OF DEATH	11%	GET MORE INFO	4%
143	CHECK DUE/INTEREST	8%	CHANGE/CLASS. TAX STATUS	4%
144	ADD/CHANGE POLICY	8%	CHANGE ADDRESS	3%
145	CHECK/CHANGE BENEFICIARY	7%	DIDN'T GET CHECK	3%
146	METHOD OF PAYMENT	6%	CASH IN POLICY	2%
147	ENROLL/DISENROLLMENT	5%	DIDN'T GET POLICY	2%
148	(NOT LOAN)	5%	LOST/LATE PAYMENT	2%
			WITHDRAL OF PAYMENT	1%
			GOT POLICY BY	1%
			OTHER	13%
			REFUSED	2%

[IF A FOLLOW-UP TO PRIOR COMMUNICATION]

14c. How long before had you made that request?

149

(5) LT ONE MONTH 20%
TWO MONTHS 20%
ONE YEAR 20%
DK 40%

15. Did you use the toll free number, the last time you called?

150 87% 12% DK=1%

-1 YES -2 NO [SKIP TO Q. 21]

16a. When you were calling, did you get a busy signal and have to re-dial?

160

27% -1 YES b. How many times? _____

69% -2 NO

161 5% DK

ONCE 17%
TWICE 21%
3 TIMES 22%
4 12%
5+ 13%
DK 6%
10+ 7%

17. Did you get continuous ringing, with no answer?

170 9% 87% DK=3%

-1 YES -2 NO

17a. Have you had any (other) reasons to contact the VA concerning your home loan in the past year or so?

170 3% 97%

-1 YES -2 NO—>[SKIP TO CLOSING]

b. What was the reason for contacting the VA?

_____

171 _____

_____

c. Were you satisfied with the information you received?

172 55% 45% (11)

-1 YES -2 NO—> d. Why not?_____

_____

173 _____

e. IF A PROBLEM WAS MENTIONED, ASK:
Was the VA able to resolve the problem?

174 45% 45% 9% (11)

-1 YES -2 NO

That's all the questions I have. Thank you for your help.

GEOGRAPHIC LOCATION_____
180

NAME_____

PHONE NUMBER_____

TIME ENDED:_____

INTERVIEWER_____

DATE_____

VERIFIED BY_____

DATE_____

, 11a. Were you satisfied with the information you received through them?
110 94% 6%
-1 YES -2 NO—>b. Why not? _____

111 _____

_____

_____

_____

12. Was the amount of time it took to process your VA loan application longer, shorter or about what you thought it would take?
120 21% 53% 25%
-1 LONGER -2 ABOUT WHAT YOU THOUGHT -3 SHORTER—>SKIP TO QUESTION 14

13. Were you ever told that the VA was responsible for delaying the loan process?
130 18% 81% DK= 1%
-1 YES -2 NO

[SKIP TO QUESTION 17 IF LOAN NOT RECEIVED (Q.4)
14a. Was the assistance you received from the VA to purchase or remodel a home because of a service connected disability?
140
29% -1 YES—> b. Are you living in that home now?
54% 46%
141 -1 YES -2 NO—>[SKIP TO QUESTION 16] (12)
71% -2 NO
c. Are you satisfied with the adaptive features included in your home?
71% 29%
142 -1 YES -2 NO (7)

15a. Was the loan for a new home or existing home?
150 23% 77%
-1 NEW HOME -2 EXISTING HOME—>[SKIP TO QUESTION 16]

b. Have you filed a construction complaint about your new home?
151 4% 96%
-1 YES -2 NO—>[SKIP TO QUESTION 16]

c. Were your dealings with the VA satisfactory on this matter?
152 50% 50% (4)
-1 YES -2 NO

d. Was the problem resolved to your satisfaction?
153 50% 50% (4)
-1 YES -2 NO

16a. Have you been late in making payments on your VA home loan in the past year?
160 13% 87%
-1 YES -2 NO—>[SKIP TO QUESTION 17]

b. Were you contacted by the VA?
161 23% 77%
-1 YES -2 NO—>[SKIP TO QUESTION 17]

c. Were you satisfied with the VA's assistance?
162 67% 33% (12)
-1 YES -2 NO

3. (You said you were in contact with the VA about the vocational rehabilitation program.) When did you complete the program? If you could tell me the month and year that would be helpful.

30

JAN FEB MAR APR MAY JUN [] 1988 [] 1990

JUL AUG SEP OCT NOV DEC [] 1989

4. How long were you in the program?

40 ___ YEARS ___ MONTHS

< 12 MONTHS	12%
12-23 "	22%
24-35 "	35%
36-47 "	12%
48 +	16%
REFUSED	1%

5a. Are you satisfied with the training you received?

50 84% 13% DK = 2%

-1 YES -2 NO

b. Why is that?

51 / 52

GS GOOD JOB	32%	HELPED PAY BOOKS	7%	GRADUATED	1%
GOOD TRAINING	22%	ACHIEVED GOAL	6%	GOT CONFIDENCE	1%
GOT A DEGREE	20%	O.J.T.	2%	IMPROVED SKILL	1%
GOOD SUPPORT	12%	FINANCIAL COMPENSATION	2%	OTHER	2%
GAVE ME TRADE	9%	GOT MORE PAY	2%	DK.	8%

c. Did the training program give you the skills you needed to get a job?

53 63% 15% ENHANCED EXISTING SKILLS 2%

-1 YES -2 NO--->[SKIP TO QUESTION 7]

LESS (36)

POOR QUALITY	24%
TO PART	18%
INADEQUATE	18%
OTHER	32%
DK	3%

6a. Have you gotten a job as a result of the training you received?

60 86% 14%

-1 YES -2 NO--->[SKIP TO QUESTION 7]

b. Did you find the job on your own or were you placed by the VA, a school counselor or someone else?

61 72% 10% 18% 2%

-1 OWN -2 VA -3 SCHOOL COUNSELOR OTHER [SPECIFY]_____

7. Was your VA counselor or training case manager actively involved with you in trying to find you a job?

70 44% 56%

-1 YES -2 NO--->[SKIP TO QUESTION 10]

8a. Were you satisfied with the job placement efforts?

80 87% 12%
-1 YES -2 NO—>b. Why not?

(LE)

DIDN'T GET A JOB 40%
FEW OPENINGS PROVIDED 20%
NOT HELPFUL 13%
OTHER 27%

81

9. How could it have been improved?

90

MORE MORE LEADS	7%	UNORGANIZED	2%
MORE CONTACT W/ COMPANIES	5%	MORE PLACEMENT EFFORT	2%
HELP WITH GOV. JOBS	5%	OTHER	15%
MORE PERSONAL CONTACT	4%	CAN'T SEE IMP.	38%
MORE HELP FOR DISABLED	2%	D.K.	18%
OFFICE TOO FAR AWAY	2%		
SHOULD KNOW JOB MARKET	2%		

10a. Are you currently working?

100 13% 87%
-2 NO -1 YES—> b. Is it at a job related to the vocational training you received?

82% 18%
-1 YES -2 NO

101

That's all the questions I have. Thank you for your help.

GEOGRAPHIC LOCATION_____
110

RESPONDENT NAME_____

PHONE NUMBER_____

TIME ENDED:_____

INTERVIEWER_____

DATE_____

VERIFIED BY_____

DATE_____

VETERANS BENEFITS ADMINISTRATION
CONSUMER SATISFACTION SURVEY

Veterans Services Division

Introduction:

The following report is based on the results of telephone interviews with 410 veterans who either came into or phoned a Regional Office (RO) during the month of November 1989. The sample was developed by listing phone calls or walk-ins on one day during the sampling period in each regional office. In an effort to reduce the burden at the larger stations, only a few counselors were asked to gather the names and phone numbers of those who called in. This process yielded far more names than were needed. Before the final stage of sample selection took place, the number of names turned in from every station was reweighted to reflect the ratio between the number of counselors who recorded the names and the number of counselors at the station. The final sample is equally split between those who phoned and those who walked-in to a regional office. Interviewing took place in May, 1990.

The questionnaire was developed by the contractor in consultation with representatives from Veterans Services Division (VSD). A variety of topics were covered in an effort to get a handle on the overall level of satisfaction of veterans with the services they received. While it was intended that the results of this study stand alone, it was also hoped that this study would be a pilot study for future efforts in this area.

Due to the sample size in this study, it is often impossible to do much analysis of the smaller sub-groups, particularly after a series of screen questions has reduced the base.

Results and Analysis:

The survey asked which of four types of contact with VSD: Letter, Phone, Visits to an RO, and Visit to a Veterans Benefits Counselor (VBC) at a medical center. Over the year prior to the interview, veterans used slightly over two different means of contact. Almost three-fourths (72 percent) called a VA office and almost two-thirds (65 percent) visited an RO. Roughly one-third wrote a letter or saw a VBC at a medical center (36 percent and 33 percent respectively). The questionnaire did not ask how many times they called, wrote, or came by personally.

The topic of most (43 percent) of the contacts dealt with filing a claim for compensation or pension. Only slightly less (40 percent) dealt with outpatient or clinic medical care. The next most common topics were educational assistance (28 percent), inpatient hospital care (23 percent), home loans (16 percent), insurance (13 percent) and vocational rehabilitation (10 percent). A small number (6 percent) of topics did not fall into one of these categories.

The remainder of the questions were concerned with the veterans last contact with the RO. Earlier we saw that phone contacts outnumbered visit contacts by a ratio of approximately 53 to 47. The same ratio for the last contact is almost reversed at 45 to 55, e.g., the last contact was more likely to be in-person than were contacts in general.

One-third of the people who phoned got a busy signal. When asked how many times they got a busy signal, half said this happened no more than four times (once 18 percent, twice 21 percent, three or four times 11 percent). An additional 25 percent said five to nine times.

After they finally got past the busy signal, the veterans were asked if the the phone was answered by a recording or a counselor. Over half (54 percent) reported getting a counselor. Of those who got a recording, one-third said they had to wait 2 minutes with a total of four-fifths saying they waited no more than five minutes. Fully 90 percent of those who got the recording eventually talked to a counselor while the remaining 10 percent hung up. A closer look at those who hung up seems to indicate that they did not stay on the line for inordinately long times before they hung up. Since the sample size is very small, it is difficult to say whether those who hung up were just inpatient or if they waited on the phone a very long time. The small sample size, 8 people hung up, does not lend itself to a rigorous statistical analysis.

Three-fourths report a total elapsed time of five minutes or less from the time they first dialed until they talked to a counselor. Only one in seven (14 percent) felt this was unacceptably long. A closer analysis of the data indicates that those who felt it took too long did in fact have to wait much longer for a counselor. Almost three times as many veterans who said the waiting time was reasonable waited five minutes or less compared to those who said the waiting time was too long (87 percent and 30 percent respectively). When asked further, 22 of the 25 people who felt they waited too long and were asked this question said five minutes or less would be acceptable.

Switching gears for a moment and looking at those who walked into the RO on their last visit, two-fifths (40 percent) said they had to wait less than 15 minutes to see a counselor while a little over one-third (36 percent) said they waited 30 minutes or more. Overall, however, only 15 percent said that was unacceptably long. A closer look at those who said the wait was too long indicates they did wait much longer for service. About two-fifths (59 percent) of those who felt the wait was reasonable waited 15 minutes or less and an additional one-third (32 percent) waited between 15 and 30 minutes. The comparable numbers for those who felt the wait was too long are 9 percent and 12 percent respectively. As with those who phoned in, veterans who said it was unacceptably long were asked how long would be acceptable. Almost half (45 percent) said 15 minutes or less while a total of three-fourths (75 percent) said that 30 minutes or less would be O.K.

Another important issue is "How many people do you have to talk to before you spoke with a counselor?" A little less that one-tenth (8 percent) said the first person they talked to was a counselor [or possibly a person who could answer their question]. Almost two-thirds (65 percent) said they talked to one other person before they talked to a counselor with a significant number (15 percent) saying they talked to two other people.

Regardless of how the last contact was made, less than one-in-ten (7 percent) felt they were not treated courteously and only one-in-ten (10 percent) did not completely understand the information they were given. While about one-fourth (23 percent) were not satisfied with the information they received, most of the reasons given for this low satisfaction related to the fact that the veteran did not get what he wanted — 20 percent were not satisfied because the benefit was reduced or denied, 16 percent felt the person they talked to was misinformed, 10 percent felt the information was confusing, and another 10 percent said the payment was not prompt. For the performance related reasons, 9 percent felt they were given the runaround, 8 percent felt the person they talked to was rude, 8 percent said there was lost or missing information, and another 8 percent said there was no followup to their contact.

A specific question was asked about followup contacts. Less than half (45 percent) said they expected a followup contact of some sort. Three-fifths (59 percent) reported that they did receive some sort of followup. Two-thirds of those who expected a followup actually got one. The predominant form of followup (88 percent) was by letter, with a small number (7 percent) getting a call, and a handful (4 percent) getting both.

One-fourth (24 percent) of those who did get some sort of follow up felt it took too long. Less than one-tenth (8 percent) did not completely understand the information they received. Only about one-sixth (17 percent) were not satisfied with the information they received. While the numbers are small, again the reasons seem to be related to not getting what they wanted rather than poor service.

Lastly, veterans were asked if they got all the information they needed. Almost one-fourth (23 percent) said they did not. As expected, there is a high correlation between getting all the information one needs and satisfaction.

Issues To Be Resolved:

There are two issues that seem to come out of this questionnaire. The first deals with quality of service. Throughout the results there are measures of the quality of the VSD operations. These include if the veteran got a busy signal, how many times he had to call before he got through, how long he listened to the recording, how long he had to wait to see a counselor, etc. While it is clear offices cannot be staffed so that all calls are answered by the third ring, there is some level of acceptable waiting times. These are decisions which need to be addressed within budget constraints.

The other issue deals with the perception of unsatisfactory service. As was pointed out, it seems that the most common reasons for not being satisfied relate to the fact that the claiment did not get the answer he/she wanted. This can be resolved in future questionnaires with a series of questions — Yes/No or a 5 point scale — asking about each dimension separately.